

# **WASHINGTON COUNTY SCHOOL DISTRICT**



**Comprehensive Annual  
Financial Report  
June 30, 2006**

# WASHINGTON COUNTY SCHOOL DISTRICT

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Washington County School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington County School District (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2006, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 7 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Hafen Buckner Everett & Graff, PC*

Hafen, Buckner, Everett & Graff, PC

October 15, 2006

## Management's Discussion and Analysis

This section of the Washington County School District's comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2006.

### Financial Highlights

- The District is dependent on state aid. State aid increased by \$7.5 million driven primarily by student enrollment increase of 1,562 students in fiscal year 2006. State funding for retirement increased but was offset by an equal increase in retirement contribution percentage.
- The District's net assets exceeded liabilities by \$80.6 million at the close of the most recent fiscal year.
- The District continues to grow at a steady pace. Student enrollment increased by 1,562 students to a total of 23,143 students as of October 1, 2005. Property tax revenues increased \$5.1 million or 11.0% primarily as a result of growth.
- On November 2, 2004 the public voted, by a 67% margin, to authorize the District to issue \$99.0 million of general obligation school building bonds for new school construction, land acquisitions, renovation of existing school facilities and related equipment and improvements. The District issued \$40 million of general obligation bonds during fiscal 2006.
- The cost of various District construction projects underway for the year ended June 30, 2006 are projected at a total cost of \$39.5 million. Dixie Intermediate is project to be completed in the spring of 2007 with an estimated cost of \$14.5 million. Desert Hills High School is projected to be completed in the spring of 2008, with an estimated cost of \$49.1 million.

### Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 9 to 10 of this report.

**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 11-15 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 16 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 17 to 29 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 31 to 41 of this report.

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$80.6 million at the close of the most recent fiscal year.

The largest portion of the District's net assets (74%) reflects its investment in capital assets (e.g., land, water stock, furniture, buildings and improvements, and equipment net of accumulated depreciation), less any related debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital

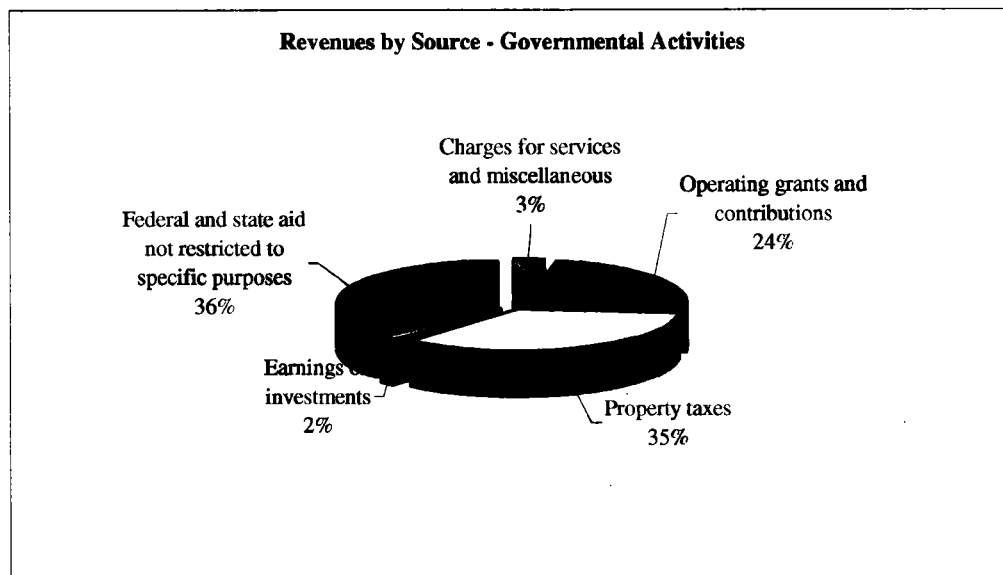


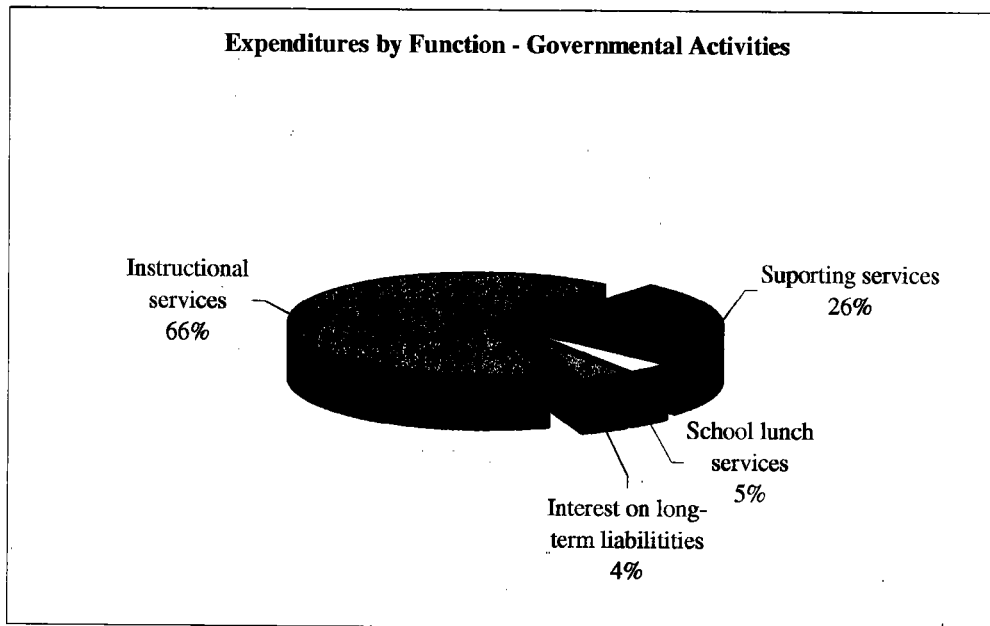
assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

- The remaining balance of the District's net assets (26%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.

#### **Governmental activities.**

- Total state aid increased by \$7.5 million in revenues is from state aid not restricted to specific purposes. Total federal aid increased by \$11,937.
- Federal revenue increases, due to the student enrollment increases where offset by decreases in other federal programs. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the guarantee it will make up the difference with state funding. Certain special students receive a weighting greater than one. The value of the WPU increased by 4.5% during the year ended June 30, 2006 (\$2,280 during 2006 as compared to \$2,182 in 2005).
- Instructional services represent the largest dollar increase in expense of \$8.6 million due to an increase of 50 additional full-time equivalent teachers for new growth of 1,562 students, increases in salaries, and increases in health care insurance premiums.
- Property tax revenues increased by 11.0% primarily from increases in taxable property. District taxable property values in tax year 2006 increased 37.08%.





### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. Unspent general obligation bond proceeds and revenues that are restricted for capital projects increased the capital projects fund balance by \$1.5 million. The general fund balance decreased by \$.4 million resulting in a year end balance of \$13.0 million. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$111.8 million, an increase of 11.6% during the current fiscal year. Instructional services represent 69% of general fund expenditures.
- General fund salaries totaled \$68.5 million while the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$29.3 million to arrive at 87.5% of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion. The \$13.0 million fund balance of the general fund is primarily designated for the following purposes:

- *Designation for undistributed reserve* of \$3.3 million or 3.0% of general fund budgeted expenditures. As allowed by state law, the District has established an undistributed reserve within the general fund; this amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or settlement of contract salaries.

- *Designated for future growth reserve* of \$2.1 million is set aside to deal with Maintenance and operational expenditures related to opening new buildings and providing District level support to the increased property and staff.

### **Capital Asset and Debt Administration**

**Capital Assets.** The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The District began various projects during 2006 at a projected cost of \$39.5 million. Student growth for the District was 7.2% in 2006.

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

**Debt Administration.** On November 2, 2004 the public voted, by a 67% margin, to authorize the District to issue \$99.0 million of general obligation school building bonds for new school construction, land acquisitions, renovation of existing school facilities and related equipment and improvements. On December 20, 2005, the District issued \$40 million of general obligation bonds.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2006 is \$441.1 million. General obligation debt at June 30, 2006 is \$177.7 million, resulting in a legal debt margin of \$263.4 million.

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2021.

### **Changing Enrollment within the District**

The main component of changing enrollment is migration. Estimated new growth for the next five years will be an additional 6,800 students, or the equivalent of 13 new elementary schools.

Migration combined with the K-12 differential has caused Washington County School District to be one of the fastest growing districts in terms of total new students per year, and percentage growth, in the state since the official state October count of 1997.

The District's enrollment for the 2007 fiscal year grew by 1,154 students to a total of 24,297 students as measured by the October 1, 2006 count.

### **Post-Employment Benefits**

The District changed its other post employment benefits (OPEBs) on January 10, 2006. The new policy replaces the OPEBs with a lower cost termination benefit. The District's liability for OPEBs will end August 2012.

### **Requests for Information**

This financial report is designed to provide a general overview of the Washington County School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Washington County School District, 121 W. Tabernacle, St. George, UT 84770.

**WASHINGTON COUNTY SCHOOL DISTRICT**

**Financial Statements  
Using the GASB 34 Model**

Year Ended June 30, 2006

**WASHINGTON COUNTY SCHOOL DISTRICT****Statement of Net Assets**

June 30, 2006

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 52,125,426
Receivables:	
Property taxes	51,747,134
Other governments	6,535,637
Other	1,108,954
Inventories	159,069
Prepays	262,627
Bond issue costs, net of accumulated amortization	124,963
Capital assets:	
Land, construction in progress, and water stock	88,658,752
Other capital assets, net of depreciation	139,780,371
Total assets	<u>340,502,933</u>
<b>Liabilities:</b>	
Accounts payable	4,426,336
Accrued interest	2,420,389
Accrued liabilities	14,997,535
Deferred revenue:	
Property taxes	48,788,297
Other governments	5,153,311
Local sources	965,645
Noncurrent liabilities:	
Due within one year	18,216,991
Due in more than one year	164,896,127
Total liabilities	<u>259,864,632</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	59,905,019
Restricted for:	
School lunch	537,545
Non K-12 programs	1,756,212
Foundation	802,428
Debt service	19,663,123
Capital projects	15,401,188
Unrestricted	<u>(17,427,214)</u>
Total net assets	<u>\$ 80,638,301</u>

The notes to the financial statements are an integral part of this statement.

# WASHINGTON COUNTY SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2006

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Instructional services	\$ 88,899,226	\$ 513,108	\$ 25,209,189	\$ -	\$ (63,176,929)
Supporting services:					
Students	4,992,940	-	1,786,208	-	(3,206,732)
Instructional staff	4,093,852	-	860,956	-	(3,232,896)
District administration	415,640	-	-	-	(415,640)
School administration	8,758,482	-	284,504	-	(8,473,978)
Business	1,219,843	-	34,356	-	(1,185,487)
Operation and maintenance of facilities	12,112,954	-	505,727	-	(11,607,227)
Transportation	4,656,288	295,386	3,612,050	-	(748,852)
Central	481,400	-	11,531	-	(469,869)
School lunch services	5,601,810	2,073,017	3,882,872	-	354,080
Interest on long-term liabilities	5,832,240	-	-	-	(5,832,240)
Total school district	\$ 137,064,673	\$ 2,881,511	\$ 36,187,393	\$ -	(97,995,769)
<b>General revenues:</b>					
Property taxes levied for:					
General purposes					
Transportation					
Recreation					
Debt service					
Capital outlay					
Federal and state aid not restricted to specific purposes					
Earnings on investments					
Miscellaneous					
Total general revenues					
Change in net assets					
Net assets - beginning					
Net assets - ending					

The notes to the financial statements are an integral part of this statement.

# WASHINGTON COUNTY SCHOOL DISTRICT

## Balance Sheet Governmental Funds June 30, 2006

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 24,682,420	\$ 920,367	\$ 24,477,636	\$ 2,045,003	\$ 52,125,426
Receivables:					
Property taxes	25,356,616	21,038,182	4,548,613	803,723	51,747,134
Other governments	6,190,293	-	-	345,344	6,535,637
Other receivables	142,112	-	966,842	-	1,108,954
Inventory	-	-	-	159,069	159,069
Prepays	55,971	-	206,551	105	262,627
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 56,427,412</u>	<u>\$ 21,958,549</u>	<u>\$ 30,199,642</u>	<u>\$ 3,353,244</u>	<u>\$ 111,938,847</u>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 880,040	\$ -	\$ 3,515,096	\$ 31,200	\$ 4,426,336
Accrued salaries	13,480,739	-	-	225,859	13,706,598
Retainable Payable	-	-	1,290,937	-	1,290,937
Due to other funds	-	-	-	-	-
Deferred revenue:					
Property taxes	23,932,975	21,406,184	2,708,099	741,039	48,788,297
Other governments	5,153,311	-	-	-	5,153,311
Local sources	-	-	965,645	-	965,645
Total liabilities	<u>43,447,065</u>	<u>21,406,184</u>	<u>8,479,777</u>	<u>998,098</u>	<u>74,331,124</u>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	-	-	-	-	-
Advances	-	-	-	-	-
Debt service	-	552,365	-	-	552,365
Construction commitments	-	-	11,727,444	-	11,727,444
Unreserved:					
Designated for:					
Undistributed reserve	3,300,000	-	-	-	3,300,000
Health and accident insurance	-	-	-	-	-
Tort Liability	-	-	-	-	-
Future Growth	2,091,179	-	-	802,428	2,893,607
Notes	-	-	890,321	-	890,321
Vacation	-	-	-	-	-
Early retirement health care	-	-	-	-	-
Early retirement	-	-	-	-	-
Undesignated, reported in:					
General fund	7,589,168	-	-	-	7,589,168
Capital projects fund	-	-	9,102,100	-	9,102,100
Special revenue funds	-	-	-	1,552,718	1,552,718
Total fund balances	<u>12,980,347</u>	<u>552,365</u>	<u>21,719,865</u>	<u>2,355,146</u>	<u>37,607,723</u>
Total liabilities and fund balances	<u>\$ 56,427,412</u>	<u>\$ 21,958,549</u>	<u>\$ 30,199,642</u>	<u>\$ 3,353,244</u>	<u>\$ 111,938,847</u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2006**

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<b>Total fund balances for governmental funds</b>	<b>\$ 37,607,723</b>
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	42,557,517	
Construction in progress	46,101,235	
Buildings and improvements, net of \$91,671,109 accumulated depreciation	134,875,042	
Furniture and equipment, net of \$8,790,381 accumulated depreciation	4,905,329	228,439,123

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general obligation bonds is \$2,420,389.	(2,420,389)
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Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$137,780 and accumulated amortization is \$12,817.	124,963
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

Bonds payable	(177,764,000)	
Unamortized premiums	(914,705)	
Unamortized refunding	1,042,501	
Obligations under capital leases	0	
Notes payable	(890,321)	
Early retirement payable	(4,586,594)	(183,113,119)

<b>Total net assets of governmental activities</b>	<b>\$ 80,638,301</b>
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The notes to the financial statements are an integral part of this statement.



**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2006**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 25,035,617	\$ 19,777,844	\$ 6,140,376	\$ 1,102,043	\$ 52,055,880
Earnings on investments	1,264,073	-	1,093,485	27,188	2,384,746
School lunch sales	-	-	-	2,073,017	2,073,017
Other local sources	2,344,976	13	92,167	554,339	2,991,495
State aid	73,971,286	-	1,302,254	2,088,907	77,362,447
Federal aid	9,061,460	-	-	3,327,987	12,389,447
<b>Total revenues</b>	<b>111,677,412</b>	<b>19,777,857</b>	<b>8,628,282</b>	<b>9,173,481</b>	<b>149,257,033</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Instructional services	77,283,356	-	-	2,793,614	80,076,970
<b>Supporting services:</b>					
Students	4,813,897	-	-	-	4,813,897
Instructional staff	4,130,221	-	-	-	4,130,221
District administration	407,103	-	-	-	407,103
School administration	8,135,056	-	-	-	8,135,056
Business	1,151,673	-	-	-	1,151,673
<b>Operation and maintenance</b>					
of facilities	11,137,975	-	-	2,238	11,140,213
Transportation	4,259,397	-	-	-	4,259,397
Central	446,829	-	-	-	446,829
School lunch services	-	-	-	5,982,109	5,982,109
Capital outlay	-	-	48,715,531	-	48,715,531
<b>Debt service:</b>					
Principal retirement	-	14,435,000	-	-	14,435,000
Bond Selling Expenditures	-	-	-	-	-
Loan retirement	-	404,679	-	-	404,679
Interest and fiscal charges	-	6,688,070	-	-	6,688,070
<b>Total expenditures</b>	<b>111,765,507</b>	<b>21,527,749</b>	<b>48,715,531</b>	<b>8,777,961</b>	<b>190,786,748</b>
Excess (deficiency) of revenues over (under) expenditures	(88,095)	(1,749,892)	(40,087,249)	395,520	(41,529,716)
<b>Other financing sources (uses):</b>					
Transfers	(306,645)	-	306,645	-	-
General obligation bonds proceeds	-	-	40,000,000	-	40,000,000
Refunding bonds proceeds	-	-	-	-	-
Bond premium	-	-	310,436	-	310,436
Payment to refunded bond escrow	-	-	-	-	-
Sale of capital assets	-	-	158,169	-	158,169
<b>Total other financing sources (uses)</b>	<b>(306,645)</b>	<b>-</b>	<b>40,775,250</b>	<b>-</b>	<b>40,468,605</b>
<b>Net change in fund balances</b>	<b>(394,740)</b>	<b>(1,749,892)</b>	<b>688,001</b>	<b>395,520</b>	<b>(1,061,111)</b>
<b>Fund balances - beginning</b>	<b>13,375,087</b>	<b>2,302,256</b>	<b>21,031,864</b>	<b>1,959,625</b>	<b>38,668,833</b>
<b>Prior period adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances - ending</b>	<b>\$ 12,980,347</b>	<b>\$ 552,365</b>	<b>\$ 21,719,865</b>	<b>\$ 2,355,145</b>	<b>\$ 37,607,722</b>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Government Funds to the Statement of Activities**  
Year Ended June 30, 2006

**Net change in fund balances-total governmental funds** \$ (1,061,111)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$25,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlays	\$ 46,793,861	
Loss on disposal of capital assets	916,573	
Proceeds from sales of capital assets	(158,169)	
Depreciation expense	<u>(8,171,629)</u>	39,380,635

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net assets.

Other financing source - capital lease	-	
Interest expense - capital leases	-	
Principal payments of capital leases	<u>-</u>	-

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of what it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

General obligation bond proceeds	(40,000,000)	
Bond premium	(310,436)	
Bond issuance costs	(106,923)	
Repayment of bond principal	14,435,000	
Amortization of bond issuance costs	(12,817)	
Amortization of bond premium	73,769	
Interest expense - general obligation bonds	<u>888,984</u>	(25,032,423)

The Governmental funds report note proceeds as financing sources, while repayment of note principal is reported as an expenditure. In the statement of net assets, however, issuing notes increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Note principal payment	(404,679)	404,679
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Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues increased this year.

In the statement of activities, certain operating expenses - special termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, early retirement payable increased by \$2,064,725.

(2,064,725)

**Change in net assets of governmental activities**

\$ 11,627,056

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2006**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Property taxes	\$ 23,661,222	\$ 23,661,222	\$ 25,035,617	\$ 1,374,395
Earnings on investments	531,000	1,000,000	1,264,073	264,073
Other local sources	2,194,000	2,000,000	2,344,976	344,976
State aid	77,928,890	77,577,565	73,971,286	(3,606,279)
Federal aid	9,855,566	9,292,645	9,061,460	(231,185)
Total revenues	114,170,678	113,531,432	111,677,412	(1,854,020)
<b>Expenditures:</b>				
Current:				
Instructional services	80,916,399	78,958,951	77,283,356	1,675,595
Supporting services:				
Students	4,654,024	4,917,970	4,813,897	104,073
Instructional staff	4,521,163	4,625,895	4,130,221	495,674
District administration	405,465	513,639	407,103	106,536
School administration	7,728,284	8,134,935	8,135,056	(121)
Business	1,039,214	1,157,832	1,151,673	6,159
Operation and maintenance of facilities	10,652,938	11,632,918	11,137,975	494,943
Transportation	4,141,201	4,385,108	4,259,397	125,711
Central	397,907	455,540	446,829	8,711
Total expenditures	114,456,595	114,782,788	111,765,507	3,017,281
Excess of revenues over expenditures	(285,917)	(1,251,356)	(88,095)	1,163,261
<b>Other financing sources (uses):</b>				
Transfer out	-	(500,000)	(306,645)	(193,355)
Net change in fund balances	(285,917)	(1,751,356)	(394,740)	(1,356,616)
Fund balances - beginning	9,830,284	13,375,086	13,375,087	(1)
Prior period adjustment			-	-
Fund balances - ending	\$ 9,544,367	\$ 11,623,730	\$ 12,980,347	\$ (1,356,617)

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
**June 30, 2006**

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	<u>Student Activities Fund</u>
<b>Assets:</b>	
Cash and investments	<u>\$ 1,595,425</u>
<b>Liabilities</b>	
Due to other funds	\$ -
Due to student groups	1,595,425
Advance from other funds	<u>-</u>
Total liabilities	<u>\$ 1,595,425</u>

The notes to the financial statements are an integral part of this statement.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Notes to Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Washington County School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**Reporting entity** – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Washington County School District Foundation, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is, in substance, part of the District's operations.

- **Blended component unit.** The Washington County School District Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The Foundation exclusively services the District. The Foundation is presented as a special revenue fund of the District.

**Government-wide and fund financial statements** – The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its blended component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites; construction and remodel of facilities; and procurement of equipment, textbooks, and supplies necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund type:

- The *student activities agency fund (a fiduciary fund)* accounts for monies held on behalf of student groups.

**Measurement focus, basis of accounting, and financial statement presentation** – The *government-wide fund financial statement* is reported using the economic resources measurement focus. The government-wide and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**Budgetary Data** – Budgets are presented on the modified accrual basis of accounting for all governmental funds except the Washington County School District Foundation special revenue fund. Budgets are not adopted on a District level for the Washington County School District Foundation special revenue fund or the student activities agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by the patrons of the District.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

**Deposits and Investments** – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The District's investments are reported at fair value at year-end. The Utah Public Treasurers' Investment Fund operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

**Cash and Cash Equivalents** – The District considers cash and cash equivalents to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Public Treasurers' Investment Fund (PTIF).

**Inventories** – Inventories are valued at cost or, if donated, at fair value when received, using the first in, first out method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds as revenue when received.

**Capital Assets** – Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$25,000 for land, water stock, buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	30
Building improvements and portable classrooms	30
Maintenance equipment	15
Vocational education equipment	15
Buses	10
Musical instruments	10
Furniture	10
Office equipment	10
Athletic equipment	8
Vehicles	8
Audio visual equipment	5
Computer equipment	3

**Compensated Absences** - Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. No reimbursement or accrual is made for unused sick leave.

**Long-term Obligations** – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums or discounts are reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.



**Comparative Data, Reclassifications, and Restatements** – Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations.

## 2. DEPOSITS AND INVESTMENTS

The District follows the requirements of the Utah Money Management Act (Section 51, Chapter 7 of the Utah Code) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, restricted mutual funds, and obligations of governmental entities within the State of Utah.

The PTIF is invested in accordance with the Act. The State Money Management Council provides regulatory oversight for the PTIF. The degree of risk of the PTIF depends upon the underlying portfolio.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. If a qualified depository should become ineligible to hold public funds, public treasurers are notified immediately. The District considers the actions of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Deposits and investments at June 30, 2006 appear in the financial statements as summarized below:

Cash	\$ 4,268,091
Investments	49,452,760
Total cash and investments	<u>\$ 53,720,851</u>
Cash and investments-governmental activities, statement of net assets	\$ 52,125,426
Cash and investments-student activities agency fund	1,595,425
Total cash and investments	<u>\$ 53,720,851</u>

**Deposits** – The District's carrying amount of bank deposits at June 30, 2006 is \$4,268,091 and the bank balance is \$5,318,187. Of the bank balance, \$1,401,341 is covered by federal depository insurance and \$3,916,846 was uninsured. No deposits are collateralized, nor are they required to be by state statute.

**Custodial Credit Risk.** Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

**Investments** - At year-end, the District's investment balances of \$47,452,760 were held in the Public Treasurers' Investment Fund, and \$2,000,000 were held in a Wells Fargo Bank Certificate of Deposit.

During the year ended June 30, 2006, the District used an overnight sweep agreement (classified as a Category 2 investment) to a government money market portfolio that primarily invests in obligations of the United States Treasury, agencies or instrumentalities of the United States that meet allowable investments of the Utah Money Management Act.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term of maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the Act and related rules. The District places no other limit on the amount of investments to be held by counterparties.

### **3. PROPERTY TAXES**

The property tax revenue of the District is collected and distributed by the Washington County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer.

Tax notices are mailed with a due date of November 30. Delinquent taxes are subject to a 2% penalty, with a \$10 minimum penalty. If delinquent taxes and penalties are not paid by January 15 of the following year, these delinquent taxes, including penalties, are subject to an interest charge at an annual rate equal to the federal discount rate plus 6%; the interest period is from January 1 until date paid.

Beginning January 1, 1992, an annual uniform fee based on the value of motor vehicles was levied in lieu of an ad valorem tax on motor vehicles. This uniform fee was 1.5% of the fair market statewide value of the property, as established by the State Tax Commission. Effective January 1, 1999, legislation required motor vehicles be subject to an "age-based" fee that is due each time a vehicle is registered. The age-based fee is for passenger type vehicles and ranges from \$10 to \$150 based on the age of the vehicle. The revenues collected in each county from motor vehicle fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when the County collects it.

As of June 30, 2006, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2006 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion.

#### 4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 38,108,158	\$ 6,536,705	\$ (2,087,346)	\$ 42,557,517
Construction in progress	38,704,856	39,471,159	(32,074,780)	46,101,235
Total capital assets, not being depreciated	76,813,014	46,007,864	(34,162,126)	88,658,752
Capital assets, being depreciated:				
Buildings and improvements	192,241,371	34,304,780	-	226,546,151
Furniture and equipment	13,301,697	643,343	(249,330)	13,695,710
Total capital assets, being depreciated	205,543,068	34,948,123	(249,330)	240,241,861
Accumulated depreciation for:				
Buildings and improvements	(84,531,853)	(7,139,256)	-	(91,671,109)
Furniture and equipment	(8,765,741)	(1,032,374)	1,007,734	(8,790,381)
Total accumulated depreciation	(93,297,594)	(8,171,629)	1,007,734	(100,461,489)
Total capital assets, being depreciated, net	112,245,474	26,776,493	758,404	139,780,371
Governmental activities capital assets, net	<u>\$ 189,058,488</u>	<u>\$ 72,784,357</u>	<u>\$ (33,403,722)</u>	<u>\$ 228,439,123</u>

The District changed capitalization thresholds effective July 1, 2002. The capitalization threshold for purchases of furniture and equipment was changed from \$1,000 to \$5,000, and the capitalization threshold for land, water stock, buildings and improvements was raised from \$1,000 to \$25,000.

For the year ended June 30, 2006, depreciation expense was charged to functions of the District as follows:

<b>Governmental activities:</b>	
Instructional services	\$ 6,195,573
Supporting services:	\$ -
District administration	\$ 31,498
School administration	\$ 629,411
Business	\$ 89,105
Operation and maintenance of facilities	\$ 861,921
Transportation	\$ 329,550
Central	\$ 34,571
School lunch services	\$ -
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	-
Total depreciation expense, governmental activities	<u>\$ 8,171,629</u>

A reservation of fund balance for construction commitments in the capital projects fund has been established to fulfill the required costs to complete construction projects at June 30, 2006.

## 5. RETIREMENT PLANS

**Defined Benefit Plans** – The District contributes to the State and School Contributory Retirement System and State and the School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 7.89% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 13.38% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

**Defined Contribution Plans** – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Non-contributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

<u>System</u>	<u>Year</u>	<u>Employee Paid Contributions</u>	<u>Employer Paid for Employee Contributions</u>	<u>Employer Contributions</u>	<u>Salary Subject to Retirement Contributions</u>
State and School-Contributory	2006	N/A	\$43,471	\$57,164	\$724,511
	2005	N/A	\$39,207	\$51,557	\$653,445
	2004	N/A	\$41,863	\$43,328	\$697,712
State and School-Noncontributory	2006	N/A	N/A	8,780,303	65,622,600
	2005	N/A	N/A	7,599,827	56,799,921
	2004	N/A	N/A	6,214,594	53,116,206
401 (k) Contributions	2006	1,421,003	1,104,836	N/A	65,622,600
	2005	1,199,104	938,865	N/A	56,799,921
	2004	1,006,406	852,819	N/A	53,116,206

The District offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. Plan assets are administered by the State of Utah and an independent plan administrator. Investments are primarily in various mutual funds and annuity contracts as selected by participating employees. The plans permit employees to defer a portion of their salary until future years. Only upon termination, retirement, death, or an unforeseen emergency is the deferred compensation available to an employee.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the participants or their beneficiaries rather than assets of the District.

**Early Retirement Incentive** – The District provides an early retirement incentive program for employees who have reached the age of 60, or if under age 60, have met the provisions of the Utah State Retirement Office Act. Qualifying retirees can receive benefits for up to five (5) years, or until the retiree reaches the age of unreduced social security benefit, whichever occurs first. Employees are paid up to 20% of the amount which would have been paid had they continued their assignment. The potential liability at June 30, 2006 for compensation due to participants who have qualified for benefits is \$2,419,260 and \$2,167,333 to provide wages and accident insurance benefits respectively. \$1,352,261 has been recognized as a current liability in the General Fund, while the remaining \$3,234,332 portion of the prospective obligation is included in the Long-Term Debt Account Group. The District recognizes the liability and expenditure in the year in which an employee retires for its 60 retirees using current insurance premiums as the basis for determining the liability. The District's direct payments to retirees for the years ended June 30, 2006 and 2005 are \$509,027 and \$494,921.

#### **6. MEDICAL PLAN, AND LIFE AND LONG-TERM DISABILITY (LTD)**

The district provides \$25,000 employee life insurance, \$2,420 dependent life insurance, and long-term disability coverage that is maintained on a premium basis. The District also provides three months salary in term life insurance, \$2,000 for dependent life insurance that is maintained on a self-insured basis.

#### **7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to worker's compensation, torts, errors and omissions, violation of civil rights, natural disasters, as well as theft of, damage to, and destruction of assets. These risks are covered by the District's participation in the Utah School Boards Risk Management Mutual Insurance Association for worker's compensation claims and the Utah State Risk Management system for property, casualty, and liability exposure. These are pooled arrangements whereby districts pay experienced rated annual premiums which are designed to pay claims and build sufficient reserves to enable the pool to protect the participating entities with its own capital. The pools reinsure excess losses to preserve the capital base. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. Insurance coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah.

## 8. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Bonds payable:					
General obligation bonds	\$ 152,199,000	\$ 40,000,000	\$ (14,435,000)	\$ 177,764,000	\$ 16,430,000
Deferred amounts for issuance premium	678,038	310,436	(73,769)	914,705	-
Deferred amounts on refunding	(1,149,424)	106,923	-	(1,042,501)	-
Total bonds payable, net	151,727,614	40,417,359	(14,508,769)	177,636,204	16,430,000
Obligations under capital leases	-	-	-	-	-
Notes Payable	1,295,000	-	(404,679)	890,321	434,730
Early retirement payable	2,521,869	2,969,697	(904,972)	4,586,594	1,352,261
Total governmental activity long-term liabilities	\$ 155,544,483	\$ 43,387,056	\$ (15,818,420)	\$ 183,113,119	\$ 18,216,991

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. The obligations under capital leases are paid by the capital projects fund. Early retirement benefits will be paid by the fund in which the employee worked.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2006, including interest payments are listed as follows:

Year ending June 30,	Principal	Interest	Total
2007	\$ 16,430,000	\$ 7,325,369	\$ 23,755,369
2008	15,460,000	6,621,154	22,081,154
2009	15,860,000	6,023,264	21,883,264
2010	16,440,000	5,408,382	21,848,382
2011	15,645,000	4,768,842	20,413,842
2012	12,960,000	4,166,514	17,126,514
2013	11,965,000	3,667,046	15,632,046
2014-17	45,849,000	9,908,924	55,757,924
2018-21	27,155,000	2,693,200	29,848,200
Total	\$177,764,000	\$ 50,582,695	\$228,346,695

**General Obligation Bonds** – General obligation school building bonds payable at June 30, 2006, with their outstanding balance are comprised of the following individual issues:

\$18,100,000 1996 general obligation school building bonds, due in annual installments of \$870,000 to \$1,165,000, Through March 1, 2007, interest from 5.0% to 5.1%	1,165,000
\$15,000,000 1997 general obligation school building bonds, due in annual installments of \$945,000 to \$1,385,000, Through March 1, 2012, interest from 5.0% to 5.25%	1,085,000
\$19,335,000 1997 general obligation school building bonds, due in annual installments of \$430,000 to \$3,665,000, Through March 1, 2007 Interest 5.0%	445,000
\$10,000,000 1998 general obligation school building bonds, due in annual installments of \$595,000 to \$895,000, Through March 1, 2013 Interest 5.0%	1,390,000
\$10,000,000 1999 general obligation school building bonds, due in annual installments of \$575,000 to \$880,000, Through March 1, 2014, interest from 4.3% to 4.55%	6,060,000
\$10,000,000 2000 general obligation school building bonds, due in annual installments of \$515,000 to \$920,000, Through March 1, 2016, interest from 4.75% to 5.0%	3,260,000
\$424,000 2001 QZAB bond due in one installment of \$424,000 on January 15, 2014, interest 1.5%	424,000
\$28,370,000 2001 general obligation school building bonds, due in annual installments of \$100,000 to \$6,190,000, Through March 1, 2011, interest from 4.5% to 5.0%	22,510,000
\$13,575,000 2001 general obligation school building bonds, due in annual installments of \$650,000 to \$1,120,000, Through March 1, 2017, interest from 3.0% to 4.7%	9,990,000
\$10,000,000 2002 general obligation school building bonds, due in annual installments of \$210,000 to \$980,000, Through March 1, 2017, interest from 3.25% to 4.5%	8,365,000
\$21,000,000 2003 general obligation school building bonds, due in annual installments of \$625,000 to \$2,000,000, through March 1, 2018, interest from 2.0% to 4.1%	18,700,000
\$22,000,000 2004 general obligation school building bonds, due in annual installments of \$1,125,000 to \$1,890,000, through March 1, 2019, interest from 2.0% to 4.0%	19,660,000
\$15,210,000 2004 general obligation refunding bonds, due in annual installments of \$165,000 to \$3,000,000, through March 1, 2016, interest from 2.5% to 5.0%	14,910,000
\$31,000,000 2005 general obligation refunding bonds, due in annual installments of \$475,000 to \$2,850,000, through March 1, 2020, interest from 2.5% to 5.0%	29,800,000
\$40,000,000 2006 general obligation refunding bonds, due in annual installments of \$2,015,000 to \$3,575,000, through March 1, 2021, interest from 4.0% to 5.0%	40,000,000
	<u>\$177,764,000</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2006, is \$441,095,369. General obligation debt at June 30, 2006 is \$177,764,000, resulting in a legal debt margin of \$263,331,369.

**Defeasance of Debt - March 25, 2004** - the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust and purchasing insurance which guarantees the adequacy of the escrow fund to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2006, \$14,530,000 of previously issued bonds outstanding are considered defeased.

**Sale of Woodward Property** - During 2000, the District entered into an agreement with St. George City (the City) whereby the District agreed to an installment sale of a vacant, 4.5-acre school site (Woodward Elementary). The terms of the agreement were for a sales price of \$1,965,645 with an initial payment of \$600,000 received in 2001. No interest will be assessed on the remaining balance with a second installment payment in the amount of \$400,000 to be made on or before July 31, 2003, while the remaining installment of \$965,645 is required to be paid on or before December 31, 2007. The remaining balance of \$965,645 has been recorded in the Capital Projects Fund as a long-term receivable in addition to being deferred as revenue until all payments have been received.

**Capital Lease** - During 2000, the District entered into a lease purchase agreement with a local bank for the construction of a new District office facility. The bank provided \$3,500,000 for construction of the building. The lease is accounted for as a capital lease and the related obligation is recorded as a long-term liability. The lease has a fiscal funding clause which allows the District to terminate the agreement if funding is not appropriated during the current year. Interest is assessed at a variable rate of 67.7% of the prime lending rate of the bank. Listed below is a schedule of future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2006.

<u>Year</u> <u>Ending June 30</u>	<u>Total</u>
2007	418,730
2008	233,918
Total Minimum Lease Payments	652,648
Less: Amount Representing Interest	61,613
Present Value of Minimum Payments	591,035

**Woodward Restoration** - During 2000, the District was awarded a \$150,000 grant and a \$350,000 loan from the State of Utah Community Impact Board (CIB) for the restoration of a vacant historic school (Woodward) to be used as a community facility. The loan was funded through the issuance of taxable revenue lease bonds by the Municipal Building Authority of the City of St. George. Although the bonds are issued in the name of the Building Authority, the District is required to make the following annual interest and principal payments:

<u>Year</u> <u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$16,000	\$6,975	\$22,975
2008	16,000	6,575	22,575
2009	17,000	6,175	23,175
2010	17,000	5,775	22,775
Thereafter	215,000	32,050	247,050
Total	\$281,000	\$57,550	\$338,550



**9. DESIGNATED FOR UNDISTRIBUTED RESERVE**

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

**10. LITIGATION**

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

**11. GRANTS**

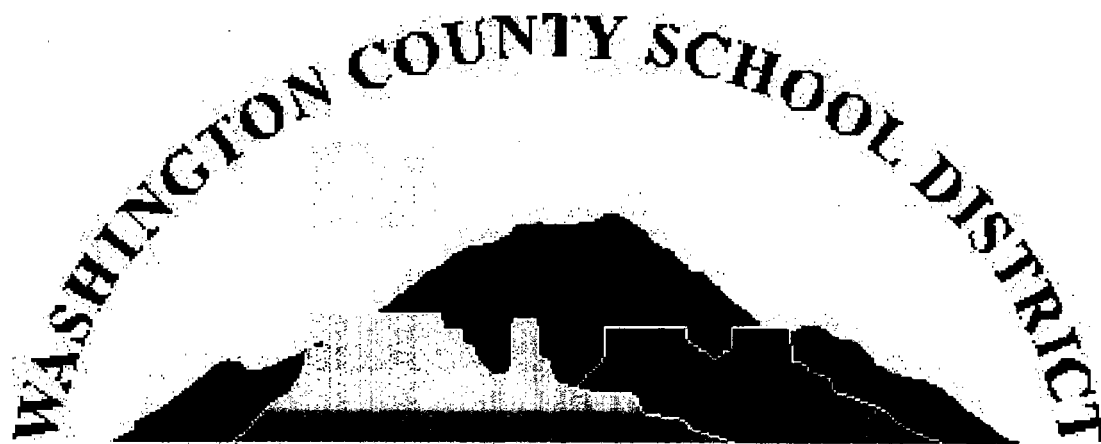
The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

**12. OPEB**

Due to the increased costs of and in anticipation of new accounting rules of the Government Accounting Standards Board, the School Board changed the early retirement policy to phase out the District's so-called "other post-employment benefits" ("OPEBs") and replace them with lower cost termination benefits. Effective January 10, 2006, OPEBs, which consist of medical premium payments and payroll stipends, are being phased out with the final payments to be made in August 2012. Employees who retire in 2007 will receive five years of benefits while those who retire in 2008 and 2009 will receive four and three years of benefits, respectively. Employees retiring after June 2009 will not be eligible for OPEBs, and a much smaller termination benefit will take the place of the OPEBs.

In January 2006, the State Board of Education contracted with Milliman and Associates ("Milliman"), an actuarial firm, to determine the liability of each school district in the State for OPEBs in effect at June 30, 2006. Milliman determined that the District's OPEB liability, as of June 30, 2006, was \$11,686,764, based on a 4% discount rate. The Milliman estimate takes into account the new policy described above.

The District expects that the retiring employees with higher salaries will be replaced by new employees with lower salaries and that the resulting costs savings will pay for substantially all of the District's remaining termination benefits. Accordingly, the District does not anticipate that the current OPEB liability will have a material adverse financial impact upon it.



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

**School Lunch Fund** – This fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that student's receive low-cost, nutritionally balanced meals.

**Non K-12 Programs Fund** – This fund is used to account for programs that are not part of the basic educational program of kindergarten, elementary, and secondary students. These areas include: adult education, preschool for disabled students, and the recreation fund. The recreation fund is used to account for costs to provide for recreation activities. Financing is provided primarily by recreation property tax levy, which is authorized by Utah Code 11-2-7 and does not have a maximum statutory rate.

**Washington County School District Foundation Fund** – This fund is used to account for donations received by the District. The Foundation was formed October 16, 1985, to provide a continuing organization, outside the public school system, for the benefit of Washington County School District. The activities of the Foundation are governed by a ten to thirty-member board of directors: one is a member of the Washington County School District Board of Education, one the Superintendent of the District, one the Development Director of the District, and all remaining members from the general public. Although the Foundation's activities and records are operated and maintained separate from the District, the District is considered to be financially accountable for the Foundation.

# WASHINGTON COUNTY SCHOOL DISTRICT

## Combining Balance Sheet

### Nonmajor Governmental Funds

June 30, 2006

	Special Revenue				Total
	School Lunch	Non K-12 Programs	Washington School District Foundation	Nonmajor Governmental Funds	
<b>Assets:</b>					
Cash and investments	\$ 284,383	\$ 948,783	\$ 811,837	\$ 2,045,003	
Receivables:					
Property taxes	-	803,723	-	803,723	
Other governments	221,923	123,421	-	345,344	
Inventory	159,069			159,069	
Prepays	-	-	105	105	
Total assets	\$ 665,375	\$ 1,875,927	\$ 811,942	\$ 3,353,244	
<b>Liabilities:</b>					
Accounts payable	\$ 15,004	\$ 6,682	\$ 9,514	\$ 31,200	
Wages payable	112,826	113,033		225,859	
Deferred revenue:					
Property taxes	-	741,039	-	741,039	
Other governments	-	-	-	-	
Local sources	-	-	-	-	
Total liabilities	127,830	860,754	9,514	998,098	
<b>Fund balances:</b>					
Unreserved:					
Designated funds			802,428	802,428	
Designated for compensated absences			-	-	
Undesignated	537,545	1,015,173	-	1,552,718	
Total fund balances	537,545	1,015,173	802,428	2,355,146	
Total liabilities and fund balances	\$ 665,375	\$ 1,875,927	\$ 811,942	\$ 3,353,244	

# WASHINGTON COUNTY SCHOOL DISTRICT

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

Year Ended June 30, 2006

	Special Revenue			Total
	School Lunch	Non K-12 Programs	Washington School District Foundation	Nonmajor Governmental Funds
<b>Revenues:</b>				
Property tax	\$ -	\$ 1,102,043	\$ -	\$ 1,102,043
Student fees	-	-	-	-
Lunch sales	2,073,017	-	-	2,073,017
Earnings on investments	-	-	27,188	27,188
Other local revenues	-	10,635	543,704	554,339
State aid	782,328	1,306,579	-	2,088,907
Federal aid	3,100,544	227,443	-	3,327,987
Total revenues	5,955,889	2,646,700	570,892	9,173,481
<b>Expenditures:</b>				
Current:				
Instructional services	-	2,450,890	342,723	2,793,614
Supporting services:				
Operation and maintenance of facilities	-	2,238	-	2,238
School lunch services	5,982,109	-	-	5,982,109
Total expenditures	5,982,109	2,453,129	342,723	8,777,961
Excess of revenues over expenditures	(26,220)	193,572	228,168	395,520
<b>Other financing sources:</b>				
Transfer in	-	-	-	-
Net change in fund balances	(26,220)	193,572	228,168	395,520
<b>Fund balances - beginning</b>				
<b>Prior period adjustment</b>	563,764	821,602	574,259	1,959,625
<b>Fund balances - ending</b>	\$ 537,544	\$ 1,015,173	\$ 802,428	\$ 2,355,146

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**School Lunch**

**Nonmajor Special Revenue Fund**

Year Ended June 30, 2006

With Comparative Totals for 2005

	2006			2005
	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>	<u>Actual Amounts</u>
<b>Revenues:</b>				
Local sources:				
Lunch sales - children	\$ 2,080,450	\$ 1,976,605	\$ (103,845)	\$ 1,836,498
Lunch Sales - adult	63,300	73,684	10,384	63,701
Earnings on investments	-	-	-	-
Other local sales	20,000	22,728	2,728	28,046
Total local sources	2,163,750	2,073,017	(90,733)	1,928,245
State sources:				
State lunch program	650,000	782,328	132,328	647,441
Total state sources	650,000	782,328	132,328	647,441
Federal sources:				
Federal lunch program	435,000	436,414	1,414	383,686
Free and reduced assistance	1,800,000	1,856,121	56,121	1,741,034
Breakfast program	490,000	491,903	1,903	409,119
Special milk	-	-	-	-
Other	253,888	316,106	62,218	291,648
Total federal sources	2,978,888	3,100,544	121,656	2,825,487
Total revenues	5,792,638	5,955,889	163,251	5,401,173
<b>Expenditures:</b>				
Current:				
Salaries	1,806,304	1,752,507	53,797	1,534,376
Employee benefits	834,521	830,235	4,286	687,636
Purchased services	22,800	14,734	8,066	24,300
Supplies	247,000	238,296	8,704	232,477
Food	2,000,000	2,008,803	(8,803)	1,860,639
Equipment	240,000	277,678	(37,678)	61,600
Indirect cost allocation	563,014	565,304	(2,290)	553,362
USDA Commodities	294,552	294,552	0	314,587
Total expenditures	6,008,191	5,982,109	26,082	5,268,977
Net change in fund balances	(215,553)	(26,220)	189,333	132,196
<b>Fund balances - beginning</b>	563,764	563,764	-	431,568
<b>Fund balances - ending</b>	\$ 348,211	\$ 537,544	\$ 189,333	\$ 563,764

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Non K-12 Programs**  
**Nonmajor Special Revenue Fund**  
Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 1,044,193	\$ 1,102,043	\$ 57,850	\$ 912,864
Community school fees	-	-	-	-
Summer school fees	-	-	-	-
Adult education fees	-	-	-	-
Earnings on investments	-	-	-	-
Miscellaneous revenues	3,728	10,635	6,907	11,182
Total local sources	1,047,921	1,112,678	64,757	924,046
State sources:				
Adult high school completion	458,706	462,156	3,450	305,137
Preschool	713,891	713,891	-	691,870
Retirement and social security	130,532	130,532	-	119,614
Utah State Developmental Center	-	-	-	-
Total state sources	1,303,129	1,306,579	3,450	1,116,621
Federal sources:				
Special education preschool grant	113,402	113,402	-	143,870
Adult education	112,996	114,041	1,045	100,654
Total federal sources	226,398	227,443	1,045	244,524
Total revenues	2,577,448	2,646,700	69,252	2,285,190
<b>Expenditures:</b>				
Current:				
Salaries	1,669,261	1,666,432	2,829	1,386,602
Employee benefits	575,304	558,213	17,091	497,860
Purchased services	113,137	110,474	2,663	133,646
Utilities	2,600	2,238	362	1,388
Supplies	25,050	26,222	(1,172)	7,301
Textbooks and library books	25,773	9,932	15,841	-
Equipment	114,115	77,986	36,129	75,000
Indirect costs	12,699	1,631	11,068	-
Total expenditures	2,537,939	2,453,129	84,811	2,101,797
Excess (deficiency) of revenues over (under) expenditures	39,509	193,572	154,063	183,393
Fund balances - beginning	821,602	821,602	-	611,423
Prior period adjustment	-	-	-	26,786
Fund balances - ending	\$ 861,111	\$ 1,015,173	\$ 154,063	\$ 821,602

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Comparative Statements of Revenues, Expenditures and Changes in Fund Balances**  
*Washington County School District Foundation*  
**Nonmajor Special Revenue Fund**  
**Years Ended June 30, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b>Revenues:</b>		
Local sources:		
Contributions to schools	\$ 413,999	\$ 350,973
Sterling Scholar	128,601	34,972
Woodward Restoration	1,104	2,665
Earnings on investments	<u>27,188</u>	<u>11,526</u>
Total revenues	<u>570,892</u>	<u>400,135</u>
<b>Expenditures:</b>		
Current:		
Program services - supplies and materials donated to schools	298,739	308,526
Sterling Scholar	33,839	17,128
Woodward Restoration	<u>10,146</u>	<u>5,394</u>
Total expenditures	<u>342,723</u>	<u>331,049</u>
Excess (deficiency) of revenues over (under) expenditures	228,168	69,087
<b>Fund balances - beginning</b>	<u>574,259</u>	<u>505,173</u>
<b>Fund balances - ending</b>	<u><u>\$ 802,428</u></u>	<u><u>\$ 574,259</u></u>



## **Major Governmental Funds**

By definition, the general fund is a major fund. However, the general fund is presented in the basic financial statements.

**Debt Service** – The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest due annually. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53A-16-104 and 53A-17a-145.

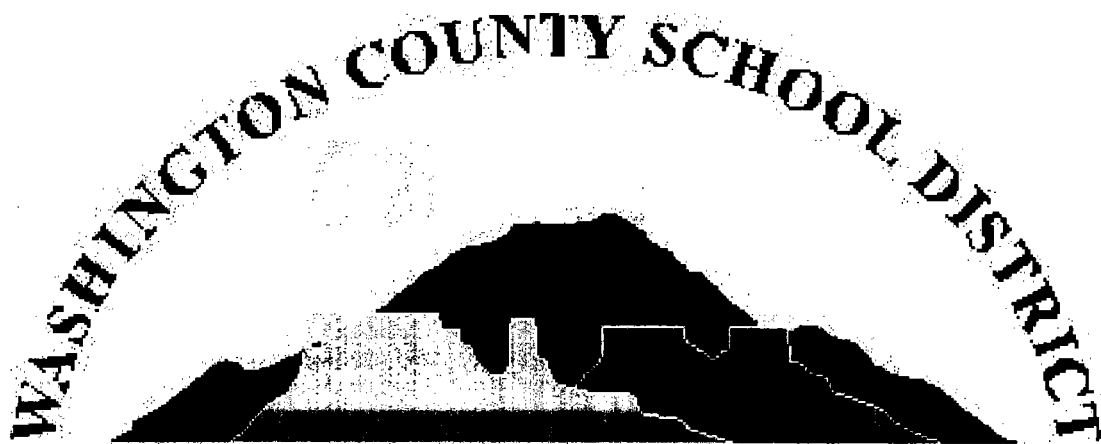
**Capital Projects Fund** – The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53A-16-104 and 53A-17a-145. Utah law defines the Capital Projects Fund as the Capital Outlay Fund.

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Debt Service Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Property tax	\$ 18,906,577	\$ 19,777,844	\$ 871,267	\$ 19,252,423
Earnings on investments	105,000	-	(105,000)	105,784
Other Revenues from local sources	800,000	13	(799,987)	
Revenues from state sources	1,302,254	-	(1,302,254)	
Total revenues	21,113,831	19,777,857	766,267	19,358,207
<b>Expenditures:</b>				
Debt service:				
Bond principal	14,435,000	14,435,000	-	12,590,000
Bond interest	6,630,463	6,630,463	-	5,598,643
Bond Issuance Costs	-	-	-	-
Paying agent fees	6,500	6,500	-	6,436
Bank Loan	404,679	404,679	-	931,432
Bank Interest	51,107	51,107	-	44,727
Asbestos Loan	-	-	-	286
Total expenditures	21,527,749	21,527,749	-	19,171,524
Excess (deficiency) of revenues over (under) expenditures	(413,918)	(1,749,892)	766,267	186,684
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(413,918)	(1,749,892)	766,267	186,684
<b>Fund balance - beginning</b>	2,302,256	2,302,256	-	2,115,573
<b>Fund balance - ending</b>	\$ 1,888,338	\$ 552,365	\$ 766,267	\$ 2,302,256

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Major Capital Projects Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	<b>2006</b>		<b>2005</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
<b>Revenues:</b>			<b>Actual Amounts</b>
Local sources:			
Property taxes	\$ 5,591,805	\$ 6,140,376	\$ 548,571
Earnings on investments	1,065,618	1,093,485	27,867
Other local	92,167	92,167	-
Total local sources	6,749,590	7,326,028	576,438
State sources:			
Other	25,000	1,302,254	1,277,254
Total state sources	25,000	1,302,254	1,277,254
Total revenues	6,774,590	8,628,282	1,853,692
<b>Expenditures:</b>			
Salaries	126,582	125,825	757
Benefits	43,800	43,802	(2)
Professional Services	5,284,342	4,537,888	746,454
Sites & improvements	7,331,033	5,456,260	1,874,773
Buildings	37,509,787	34,983,002	2,526,785
Priority equipment	2,016,326	1,910,380	105,946
Other equipment	750,000	297,843	452,157
New school equipment	1,500,000	1,196,357	303,643
Asbestos removal	25,000	16,737	8,263
CIB Loan & Interest	-	-	-
Bond selling expense	200,000	147,436	52,564
Total expenditures	54,786,870	48,715,531	6,071,339
Excess (deficiency) of revenues over (under) expenditures	(48,012,280)	(40,087,249)	7,925,031
<b>Other Financing Sources (Uses):</b>			
General obligation bond proceeds	40,000,000	40,000,000	-
Bond premium	-	310,436	310,436.00
Transfer out	500,000	306,645	(193,355)
Sale of capital assets	156,288	158,169	1,881
Total other financing sources (uses)	40,656,288	40,775,250	118,962
Net change in fund balances	(7,355,992)	688,001	8,043,993
<b>Fund balance - beginning</b>	21,031,864	21,031,864	-
<b>Prior period adjustment</b>	-	-	-
<b>Fund balance - ending</b>	\$ 13,675,872	\$ 21,719,865	\$ 8,043,993



## **Fiduciary Funds**

**Student Activities Agency Fund** – This fund is used to account for the funds generated by student groups within the District engaged in activities associated with student life. The District has a fiduciary responsibility concerning these funds to ensure their safe keeping and accountability.

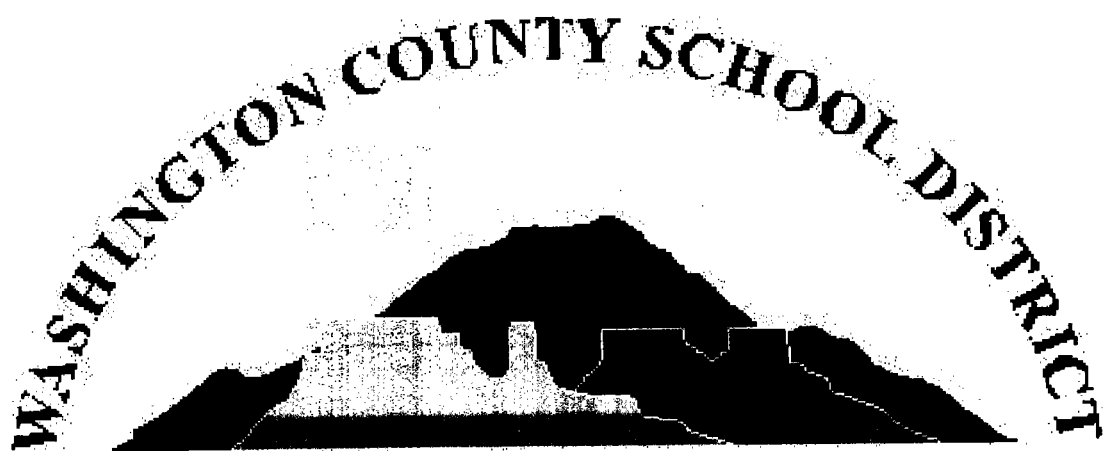
**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities**  
**Student Activities Agency Fund**  
**Year Ended June 30, 2006**

	<u>Net Assets at July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Net Assets at June 30, 2006</u>
<b>Assets:</b>				
Cash and investments	<u>\$ 1,470,736</u>	<u>\$ 7,047,901</u>	<u>\$ 6,923,211</u>	<u>\$ 1,595,425</u>
<b>Liabilities:</b>				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Advance from other funds	-	-	-	-
Due to student organizations:				
<b>Elementary Schools:</b>				
Arrowhead	-	89,716	84,023	5,693
Bloomington	10,802	114,154	121,809	3,147
Bloomington Hills	10,503	61,315	63,543	8,275
Coral Cliffs	7,597	84,394	85,669	6,322
Diamond Valley	10,440	110,925	105,550	15,815
Dixie Downs	2,139	63,733	60,134	5,738
East	18,577	96,642	94,382	20,837
Enterprise	11,750	48,765	54,915	5,600
Hurricane	18,946	48,449	50,860	16,535
LaVerkin	4,353	90,438	87,860	6,931
Little Valley	-	55,247	53,659	1,588
Panorama	6,743	133,081	133,581	6,243
Red Mountain	9,487	89,879	87,462	11,904
Riverside	9,751	156,590	154,664	11,677
Sandstone	9,569	89,183	89,357	9,395
Santa Clara	22,703	104,581	104,785	22,499
Springdale	104	4,790	4,620	274
Sunset	12,845	82,010	84,741	10,114
Three Falls	9,811	106,535	108,248	8,098
Washington	22,849	67,072	72,813	17,108
West	2,825	61,639	62,177	2,287
Total elementary schools	<u>201,794</u>	<u>1,759,138</u>	<u>1,764,852</u>	<u>196,080</u>
<b>Intermediate Schools:</b>				
Desert Hills	61,217	104,552	119,331	46,438
Hurricane	-	9,307	1,912	7,395
Fossil Ridge	27,463	328,683	297,576	58,570
Lava Ridge	52,808	216,564	208,789	60,583
Total intermediate schools	<u>141,488</u>	<u>659,106</u>	<u>627,608</u>	<u>172,986</u>

(continued)

**WASHINGTON COUNTY SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities (Concluded)**  
*Student Activities Agency Fund*  
Year Ended June 30, 2006

	<u>Net Assets at</u> <u>July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Net Assets at</u> <u>June 30, 2006</u>
<b>Liabilities (continued):</b>				
Due to student organizations (continued):				
<b>Middle Schools:</b>				
Dixie	\$ 61,403	\$ 185,494	\$ 195,664	\$ 51,233
Hurricane	30,842	214,116	220,602	24,356
Pine View	202,003	294,796	288,773	208,026
Snow Canyon	43,339	251,175	213,596	80,918
Total middle schools	<u>337,587</u>	<u>945,581</u>	<u>918,636</u>	<u>364,532</u>
<b>High Schools and Special Purpose Programs:</b>				
Dixie High	145,532	961,731	893,283	213,979
Enterprise High	78,656	239,630	253,019	65,266
Hurricane High	90,198	605,985	572,731	123,451
Millcreek High	49,281	118,048	118,219	49,109
Pine View High	138,796	908,536	913,690	133,641
Snow Canyon High	287,406	850,148	861,171	276,383
Total high schools and special purpose programs	<u>789,867</u>	<u>3,684,076</u>	<u>3,612,115</u>	<u>861,827</u>
Total due to student organizations	<u>1,470,736</u>	<u>7,047,901</u>	<u>6,923,211</u>	<u>1,595,425</u>
Total liabilities	<u>\$ 1,470,736</u>	<u>\$ 7,047,901</u>	<u>\$ 6,923,211</u>	<u>\$ 1,595,425</u>







# **STATISTICAL SECTION**

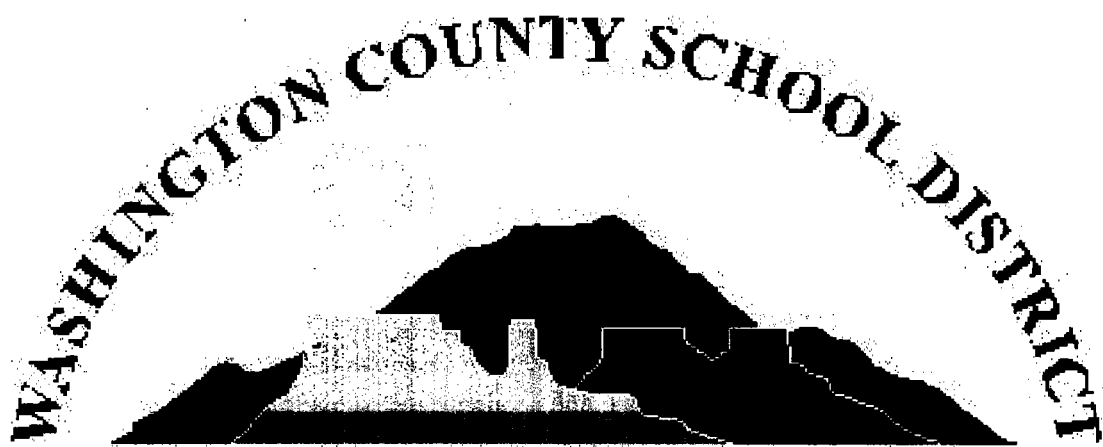
## **WASHINGTON COUNTY SCHOOL DISTRICT**

### **STATISTICAL SECTION**

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	47 - 50
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	51 - 56
<b>Debt Capacity</b> These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	57 - 61
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	62 - 63
<b>Operating Information</b> These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	64 - 73
<b>Continuing Disclosure Information</b> These schedules are required as part of the District's ongoing General Obligation Bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District.	74 - 77

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The District implemented GASB Statement 34 with the fiscal year beginning July 1, 2001; therefore, schedules presenting government-wide information include information beginning with June 30, 2002.



## **WASHINGTON COUNTY SCHOOL DISTRICT**

**Net Assets by Component  
Last Four Fiscal Years  
June 30, 2003 through 2006  
(accrual basis of accounting)**

<u>Fiscal Year Ending June 30,</u>	<u>Invested in capital assets, net of related debt</u>	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total Net Assets</u>
2003	32,295,609	6,990,437	4,639,514	43,925,560
2004	17,872,343	40,907,482	(13,637,972)	45,141,854
2005	46,516,024	34,966,612	(12,472,512)	69,010,123
2006	59,905,019	38,160,496	(17,427,214)	80,638,301

# **WASHINGTON COUNTY SCHOOL DISTRICT**

## **Changes in Net Assets**

### **Last Four Fiscal Years**

**June 30, 2003 through 2006**

**(accrual basis of accounting)**

	Fiscal Year Ended June 30,			
	2006	2005	2004	2003
<b>Expenses</b>				
Instruction	\$ 88,899,226	\$ 77,102,577	\$ 80,243,164	\$ 87,310,449
Support services:				
Students	4,992,940	4,014,073	3,450,366	3,196,421
Instructional staff	4,093,852	4,131,487	3,568,837	3,374,730
General district administration	415,640	374,495	656,433	319,001
School administration	8,758,482	7,887,933	7,138,008	6,638,043
Accounting and purchasing services	1,219,843	976,592	865,002	830,293
Operation and maintenance of buildings	12,112,954	10,186,333	8,731,464	8,884,956
Student transportation	4,656,288	4,991,540	4,157,519	4,303,290
Personnel, planning, and data processing	481,400	426,121	407,624	299,161
Nutrition services	5,601,810	4,680,626	4,082,107	3,892,741
Interest on long-term liabilities	5,832,240	7,112,024	5,605,526	5,278,505
Total Expenses	<u>137,064,673</u>	<u>121,883,802</u>	<u>118,906,051</u>	<u>124,327,591</u>
<b>Program Revenues</b>				
Charges for services:				
Instruction	513,108	382,882	417,375	410,808
Supporting services	295,386	255,797	220,088	220,088
Nutrition services	2,073,017	1,928,245	1,664,743	1,594,794
Operating grants and contributions	<u>36,187,393</u>	<u>34,761,653</u>	<u>28,850,741</u>	<u>28,444,682</u>
Total Program Revenues	<u>39,068,904</u>	<u>37,328,577</u>	<u>31,152,947</u>	<u>30,670,372</u>
 Net (Expense)/Revenue	 (97,995,769)	 (84,555,225)	 (87,753,104)	 (93,657,219)
<b>General Revenues and Other Changes in Net Assets</b>				
Property taxes	52,055,880	46,908,676	42,827,917	39,312,566
Federal and state revenue not restricted to specific purposes	53,564,501	47,488,611	44,740,861	41,672,459
Interest	2,384,746	1,852,677	844,646	863,792
Miscellaneous	<u>1,617,697</u>	<u>1,290,563</u>	<u>1,742,006</u>	<u>1,313,727</u>
Total General and Other	<u>109,622,824</u>	<u>97,540,527</u>	<u>90,155,430</u>	<u>83,162,543</u>
 Change in Net Assets	 11,627,055	 12,985,302	 2,402,326	 (10,494,676)
 Net Assets - Beginning	 69,011,246	 45,141,854	 42,739,528	 54,420,236
 Prior Period Adjustment	 <u>10,882,967</u>			
 Net Assets - Ending	 <u>\$ 80,638,301</u>	 <u>\$ 69,010,123</u>	 <u>\$ 45,141,854</u>	 <u>\$ 43,925,560</u>

# WASHINGTON COUNTY SCHOOL DISTRICT

## **Fund Balances, Governmental Funds**

### **Last Six Fiscal Years**

**June 30, 2001 through 2006**

**(modified accrual basis of accounting)**

Fiscal Year Ended June 30,	General Fund		
	Reserved	Unreserved	Total
2001	\$ 5,015,550	\$ 2,524,349	\$ 7,539,899
2002	5,364,973	3,346,013	8,710,986
2003	6,529,765	2,895,972	9,425,737
2004	5,700,973	5,553,056	11,254,029
2005	5,391,179	7,983,908	13,375,087
2006	5,391,179	7,589,168	12,980,347

Fiscal Year Ended June 30,	All Other Governmental Funds				
	Reserved	Unreserved			Total
		Special Revenue	Capital Projects	Debt Service	
2001	\$ 13,083,248	\$ 473,103	\$ (9,037,495)	\$ 714,366	\$ 5,233,222
2002	428,185	923,011	10,589,775	824,576	12,765,547
2003	4,710,038	750,234	16,834,479	2,209,136	24,503,887
2004	19,477,807	1,042,992	(3,801,375)	2,115,574	18,834,998
2005	12,420,975	1,385,366	9,185,149	2,302,257	25,293,747
2006	13,420,193	1,552,718	9,102,100	552,365	24,627,376

Reserved fund balances are restricted by external requirements for purposes other than appropriation in the next fiscal year.

# WASHINGTON COUNTY SCHOOL DISTRICT

Changes in Fund Balances, Governmental Funds  
Last Six Fiscal Years  
June 30, 2001 through 2006  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,					
	2006	2005	2004	2003	2002	2001
<b>Revenues</b>						
Property taxes	\$ 52,055,880	\$ 46,908,676	\$ 42,827,917	\$ 39,312,566	\$ 35,160,049	\$ 32,388,215
Other local sources	7,449,258	6,263,526	5,388,979	4,879,407	4,568,734	5,166,919
State of Utah	77,362,447	69,872,754	63,733,777	60,680,863	62,679,875	58,189,805
Federal government	12,389,447	12,377,510	9,857,825	9,436,277	7,451,613	6,771,410
Total revenues	149,257,033	135,422,466	121,808,499	114,309,113	109,860,271	102,516,349
<b>Expenditures</b>						
Instruction	77,283,356	69,092,164	61,820,518	58,738,373	57,588,044	53,690,150
Supporting services:						
Students	4,813,897	4,033,364	3,481,354	3,196,421	3,106,090	2,832,695
Instructional staff	4,130,221	3,993,834	3,573,552	3,334,368	3,026,938	2,809,581
General district administration	407,103	369,319	524,980	296,666	317,150	320,366
School administration	8,135,056	7,341,261	6,467,884	6,233,234	6,122,314	5,913,829
Accounting and purchasing	1,151,673	926,761	825,237	772,160	733,766	615,305
Operation and maintenance of buildings	11,137,975	9,366,190	8,164,300	8,258,083	7,911,436	7,643,334
Student transportation	4,259,397	4,637,983	3,876,722	4,001,997	3,905,699	3,996,937
Personnel, planning, and data processing	446,829	395,939	380,093	278,216	197,532	183,709
Nutrition services	5,982,109	5,268,977	4,533,554	4,368,939	4,011,279	3,805,000
Non K-12 programs	2,453,129	2,101,797	1,770,659	1,550,344	1,699,399	1,471,245
Foundation	342,723	331,049	238,281	381,376	173,193	142,405
Capital outlay	48,715,531	32,230,559	34,316,839	16,582,052	21,356,590	19,339,014
Debt Service:						
Bond principal	14,435,000	12,590,000	11,215,000	10,330,000	9,541,000	6,617,256
Bond interest and fees	6,636,963	5,605,079	5,650,462	5,169,428	4,872,202	4,975,192
Bank loan and interest	455,786	976,445	1,269,733	350,705	296,588	232,474
Total expenditures	190,786,748	159,260,719	148,109,169	123,842,362	124,859,220	114,588,495
Excess (deficiency) of revenues over (under) expenditures	(41,529,716)	(23,838,252)	(26,300,670)	(9,533,249)	(14,998,949)	(12,072,146)
<b>Other financing sources (uses)</b>						
General obligation bond proceeds	40,000,000	31,000,000	22,000,000	21,000,000	23,575,000	10,424,000
Refunding bonds proceeds	-	-	15,210,000	-	-	-
Bond premium	310,436	-	756,879	-	-	-
Sale of community impact bonds	-	-	-	-	-	350,000
Payment to refunded bond escrow	-	-	(15,813,078)	-	-	-
Sale of capital assets	158,169	42,712	306,269	986,340	127,361	609,704
Total other financing sources (uses)	40,468,605	31,042,712	22,460,071	21,986,340	23,702,361	11,383,704
Net change in fund balance	(1,061,111)	7,204,459	(3,840,599)	12,453,091	8,703,412	(688,442)
Fund Balance - Beginning	38,668,833	30,089,733	33,929,624	21,476,533	12,773,121	13,461,563
Prior period adjustment	-	1,374,641	-	-	-	-
Fund Balance - Ending	\$ 37,607,722	\$ 38,668,833	\$ 30,089,025	\$ 33,929,624	\$ 21,476,533	\$ 12,773,121

## **WASHINGTON COUNTY SCHOOL DISTRICT**

### **Assessed Value and Estimated Actual Value of Taxable Property Last Ten Tax Years December 31, 1997 through 2006**

<b>Tax Year</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Value</b>	<b>Assessed Value as a Percentage of Actual Value</b>
1997	\$ 3,108,543,186	0.006931	\$ 4,298,550,863	72.32%
1998	3,374,474,364	0.007067	4,694,672,421	71.88%
1999	3,742,749,078	0.006948	5,195,766,349	72.03%
2000	4,044,504,153	0.006905	5,442,647,730	74.31%
2001	4,550,718,458	0.006761	6,273,896,980	72.53%
2002	4,991,525,401	0.006732	6,762,211,119	73.81%
2003	5,518,270,543	0.006680	7,630,458,900	72.32%
2004	5,979,746,234	0.006675	8,259,000,232	72.40%
2005	7,384,873,744	0.006131	8,920,625,526	82.78%
2006	9,928,141,963	0.005600	11,027,384,215	90.03%

Source: Property Tax Division, Utah State Tax Commission



# WASHINGTON COUNTY SCHOOL DISTRICT

Direct and Overlapping Property Tax Rates  
Last Ten Tax Years  
December 31, 1997 through 2006  
(rate per \$1 of assessed value)

	Tax Rates for the Tax Year Ended December 31,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Washington County direct rates										
Basic Program (1)	0.001515	0.001720	0.001800	0.001825	0.001807	0.001785	0.001881	0.001840	0.001840	0.001950
Voted Leeway (2)	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600	0.000600
Board Voted Leeway (3)	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400	0.000400
K-3 Reading Program (4)	0.000105	0.000121	0.000121	(a)	(a)	(a)	(a)	(a)	(a)	(a)
Special Transportation (5)	0.000107	0.000090	0.000200	0.000110	0.000200	0.000200	0.000300	0.000200	0.000200	0.000200
Tort Liability (6)	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000020	0.000027	0.000031
Non K-12, Recreation (7)	0.000087	0.000130	0.000130	0.000130	0.000130	0.000130	0.000120	0.000100	0.000100	0.000100
Judgement Recovery	-	-	-	-	-	-	-	-	0.000086	-
Capital Projects (8)	0.000436	0.000200	0.000114	0.000211	0.000208	0.000245	0.000205	0.000352	0.000400	0.000436
10% of Basic - Other (9)	-	0.000090	-	0.000109	-	-	-	-	-	-
Debt Service (10)	0.002330	0.002760	0.003290	0.003275	0.003367	0.003381	0.003379	0.003436	0.003414	0.003214
Total direct rate	0.005600	0.006131	0.006675	0.006680	0.006732	0.006761	0.006905	0.006948	0.007067	0.006931

## Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.001600
- (3) Maximum rate is 0.000400
- (4) Maximum rate is 0.000121
- (5) Maximum rate is 0.000300
- (6) Maximum rate is 0.000100
- (7) No maximum rate
- (8) Maximum rate is 0.002400
- (9) Maximum rate based on formula and changes annually
- (10) No maximum rate, but must have voter approval for bonds issued

(a) The K-3 Reading Program tax became law in 2004.

Source: Utah Foundation Statistical Review of Government in Utah as compiled from property tax records of the Utah State Tax Commission and Utah Taxpayers Association's website

# WASHINGTON COUNTY SCHOOL DISTRICT

## Principal Property Tax Payers Current Year and Nine Years Ago December 31, 2005 and 1996

Taxpayer	December 31, 2005		December 31, 1996	
	Taxable Value	Percent of District's Total Taxable Value (1)	Taxable Value	Percent of District's Total Taxable Value (1)
Kern River Gas Transmission Co	\$ 128,139,331	1.74%	\$ 52,030,770	1.80%
Wal-Mart, Stores Inc	73,112,292	0.99%	27,767,180	1.00%
Bruce Wisan (UEP)	72,552,343	0.98%	-	0.00%
Pacific Corp (Rocky Mountain Power)	52,893,612	0.72%	52,263,820	1.80%
Qwest	39,474,181	0.53%	42,353,830	1.50%
General Growth Properties	35,223,858	0.48%	-	0.00%
Intermountain Healthcare	33,490,057	0.45%	-	-
SunHill Homes	28,956,410	0.39%	-	0.00%
Questar Gas	26,840,385	0.36%	8,931,950	0.30%
Lester Witter Investment Co	26,172,596	0.35%	-	-
Sun River St. George Dev.	22,975,680	0.31%	-	0.00%
Dixie Escalante Rural Electric	20,694,855	0.28%	6,982,760	0.20%
Mainstreet Partners LC	17,505,178	0.24%	-	0.00%
Sky West Airlines Inc	17,505,178	0.24%	7,295,650	0.30%
Distribution Center of America	17,367,035	0.24%		
Wells Dairy Inc	16,568,730	0.22%		
Inland Western Management	16,351,078	0.22%		
St. George 730 LC	16,163,950	0.22%		
Woodbury Corporation	15,874,580	0.21%		
St. George Factory Stores 2005 Inc	15,072,940	0.20%	9,392,579	0.30%
Totals	<u>\$ 645,822,799</u>	<u>9.38% *</u>	<u>\$ 207,018,539</u>	<u>7.20%</u>

Source: Washington County Assessor's Office

(1) Excludes motor vehicles (fee-in-lieu and age based)

\* Total does not add due to rounding

# WASHINGTON COUNTY SCHOOL DISTRICT

## Property Tax Levies and Collections (detail) Last Ten Tax Years December 31, 1997, through 2006

Row #	Description	Formula	2006	2005	2004	2003
1	Estimated Fair Market Value		\$ 11,027,384,215	\$ 8,920,625,526	\$ 8,259,000,232	\$ 7,630,458,900
2	Assessed Value *		9,928,141,963	7,384,873,744	5,979,746,234	5,518,270,543
3	Assessed Value as % of Fair Market Value	2/1	90.03%	82.78%	72.40%	72.32%
4	Tax Rate		0.0056	0.006131	0.006675	0.006680
5	Taxes Assessed **		53,110,272	45,556,003	40,218,934	37,093,600
6	Taxes Waived (RDA) **		1,465,666	279,342	304,128	231,553
7	Waived as % of Assessed Value	6/5	2.76%	0.61%	0.76%	0.62%
8	Taxes Levied		51,644,606	45,276,661	39,914,806	36,862,047
9	Collected In Calendar Year of the Levy **		-	42,785,965	37,516,279	34,889,527
10	Collected In Calendar Year of Levy as % of Taxes Levied That Year	9/8	0%	94.50%	93.99%	94.65%
11	Uncollected In Year of the Levy **	8-9	51,644,606	2,490,695	2,398,527	1,972,520
12	Prior Years Uncollected Collected in this Year **		-	911,918	1,543,074	1,476,527
13	Total Collections in this Year **	9+12	-	43,697,883	39,059,353	36,366,054
14	Total Collections as % of Taxes Levied	13/8	0.00%	96.51%	97.86%	98.65%
15	Total Collections as % of Taxes Assessed	13/5	0.00%	95.92%	97.12%	98.04%
16	Taxes Levied this Year and Collected in Subsequent Years		-	-	474,107	1,033,299
17	Total Collections on This Years Levy	16+9	-	42,785,965	37,990,386	35,922,826
18	Total Collections on This Years Levy as % Of Taxes Levied	17/8	0.00%	94.50%	95.18%	97.45%

\* Source: Property Tax Division, Utah State Tax Commission (includes Fee in Lieu property).

\*\* Source: Washington County Auditor's Office (includes Property Tax and Motor Vehicle Fee in Lieu).

This schedule recognizes collections on a calendar year basis,  
whereas property tax collections reported in financial statements are on a fiscal year basis.

Property Tax Year Ended December 31,

2002	2001	2000	1999	1998	1997
\$ 6,762,211,119	\$ 6,273,896,980	\$ 5,442,647,730	\$ 5,195,766,349	\$ 4,694,672,421	\$ 4,298,550,863
4,991,525,401	4,550,718,458	4,044,504,153	3,742,749,078	3,374,474,364	3,108,543,186
73.81%	72.53%	74.31%	72.03%	71.88%	72.32%
0.006732	0.006761	0.006905	0.006948	0.007067	0.006931
35,182,816	32,094,727	29,097,092	27,859,921	24,646,308	22,335,126
343,492	755,176	667,985	603,108	-	-
0.98%	2.35%	2.30%	2.16%	0.00%	0.00%
34,839,324	31,339,551	28,429,107	27,256,813	24,646,308	22,335,126
30,372,506	28,886,170	26,649,797	24,631,476	22,231,726	20,194,575
87.18%	92.17%	93.74%	90.37%	90.20%	90.42%
4,466,817	2,453,382	1,779,310	2,625,337	2,414,582	2,140,551
1,709,875	1,992,918	1,784,582	1,896,856	1,965,457	1,184,888
32,082,381	30,879,088	28,434,379	26,528,332	24,197,183	21,379,463
92.09%	98.53%	100.02%	97.33%	98.18%	95.72%
91.19%	96.21%	97.72%	95.22%	98.18%	95.72%
2,332,335	2,012,575	1,759,580	1,997,124	1,852,965	1,800,607
32,704,841	30,898,744	28,409,377	26,628,600	24,084,691	21,995,182
93.87%	98.59%	99.93%	97.70%	97.72%	98.48%

# WASHINGTON COUNTY SCHOOL DISTRICT

## Property Tax Levies and Collections (summary)

### Last Ten Tax Years

December 31, 1996 through 2005

Tax Year Ended December 31,	Taxes Levied For The Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 22,335,126	\$ 20,194,575	90.42%	\$ 1,800,607	\$ 21,995,182	98.48%
1998	24,646,308	22,231,726	90.20%	1,852,965	24,084,690	97.72%
1999	27,256,813	24,631,476	90.37%	1,997,124	26,628,600	97.70%
2000	28,429,107	26,649,797	93.74%	1,759,580	28,409,377	99.93%
2001	31,339,551	28,886,170	92.17%	2,012,575	30,898,744	98.59%
2002	34,839,324	30,372,506	87.18%	2,332,335	32,704,841	93.87%
2003	36,862,047	34,889,527	94.65%	1,033,299	35,922,826	97.45%
2004	39,914,806	37,516,279	93.99%	474,107	37,990,986	95.18%
2005	45,276,661	42,785,965	94.50%	-	42,785,965	94.50%
2006	51,644,606		0.00%	-	-	0.00%

This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis.

## WASHINGTON COUNTY SCHOOL DISTRICT

### Ratios of Outstanding Debt Last Ten Fiscal Years June 30, 1997 through 2006

Fiscal Year Ended June 30,	Outstanding General Obligation Bonds	Net General Bonded Debt As Percentage of Taxable Value	Net Bonded Debt Per Capita	Net Bonded Debt Per Student	Capital Leases	Total Debt	Debt As Percentage of Taxable Value	Debt Per Capita	Debt Per Student
1997	\$ 90,551,207	2.91%	\$ 1,103	\$ 5,037	\$ -	\$ 90,551,207	2.91%	\$ 1,103	\$ 5,037
1998	95,559,378	2.83%	1,130	5,424	-	95,559,378	2.83%	1,130	5,424
1999	99,857,067	2.67%	1,133	5,500	-	99,857,067	2.67%	1,133	5,500
2000	93,379,027	2.31%	1,025	5,130	-	93,379,027	2.31%	1,025	5,130
2001	97,619,000	2.15%	1,007	5,411	4,443,047	102,062,047	2.24%	1,053	5,658
2002	111,654,000	2.24%	1,076	6,005	3,839,403	115,493,403	2.31%	1,113	6,212
2003	122,324,000	2.22%	1,114	6,112	3,512,118	125,836,118	2.28%	1,146	6,287
2004	133,789,000	2.24%	1,140	6,642	2,138,038	135,927,038	2.27%	1,159	6,748
2005	152,199,000	2.06%	1,197	7,047	1,064,305	153,263,305	2.08%	1,206	7,097
2006	177,764,000	1.79%	1,318	7,717	652,648	178,416,648	1.80%	1,323	7,746

# WASHINGTON COUNTY SCHOOL DISTRICT

## Direct and Overlapping Governmental Activities Debt As of June 30, 2006

Taxing Entity (1)	2005 Taxable Value (2)	Washington School District's Portion of Taxable Value	District's Per- centage	Entity's General Obligation Debt	District's Portion of G. O. Debt
<b>Overlapping:</b>					
Washington County	\$ 7,465,190,139	\$ 7,465,190,139	100.0%	\$ 1,195,000	\$ 1,195,000
Washington Co. Water Conservancy Dist.	7,465,190,139	7,465,190,139	100.0%	10,365,000	10,365,000
Total Overlapping Principal General Obligation Debt				10,365,000	11,560,000
Total Direct General Obligation Debt				152,199,000	
Total Direct and Overlapping Principal General Obligation Debt					<u>\$ 163,759,000</u>

(1) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of its general obligation bonds.

(2) Taxable value used in this table excludes the taxable value used to determine uniform fees on tangible personal property.

## WASHINGTON COUNTY SCHOOL DISTRICT

### **Legal Debt Margin Information Last Ten Fiscal Years June 30, 1997 through 2006**

<b>Fiscal Year Ended June 30,</b>	<b>Estimated Fair Market Value</b>	<b>Debt Limit 4% of Fair Market Value</b>	<b>Less General Obligation Debt</b>	<b>Legal Debt Margin</b>	<b>Percentage of Debt To Debt Limit</b>
1997	\$ 4,298,550,863	\$ 171,942,035	\$ 90,551,207	\$ 81,390,828	52.66%
1998	4,694,672,421	187,786,897	95,559,378	\$ 92,227,519	50.89%
1999	5,195,766,349	207,830,654	99,857,067	\$ 107,973,587	48.05%
2000	5,442,647,730	217,705,909	93,379,027	\$ 124,326,882	42.89%
2001	6,273,896,980	250,955,879	97,619,000	\$ 153,336,879	38.90%
2002	6,762,211,119	270,488,445	111,654,000	\$ 158,834,445	41.28%
2003	7,630,458,900	305,218,356	122,324,000	\$ 182,894,356	40.08%
2004	8,259,000,232	330,360,009	133,789,000	\$ 196,571,009	40.50%
2005	8,920,625,526	356,825,021	152,199,000	\$ 204,626,021	42.65%
2006	11,027,384,215	441,095,369	177,764,000	\$ 263,331,369	40.30%

The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incurring capacity of the District) is based on estimated assessed value. As determined by the Utah State Auditor and Utah State Treasurer, the deferred amounts associated with debt issuances are to be included in the calculation of debt margin.

For debt incurring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value includes the values of motor vehicles, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State) is included as a part of the fair market value of the taxable property in the District.



# WASHINGTON COUNTY SCHOOL DISTRICT

## Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year) As of June 30, 2006

		2007	2008	2009	2010	2011	2012	2013
Series 1996	Principal	\$ 1,165,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,100,000	Interest	59,415	-	-	-	-	-	-
Series 1997	Principal	1,085,000	-	-	-	-	-	-
\$ 15,000,000	Interest	54,250	-	-	-	-	-	-
Series 1997A	Principal	445,000	-	-	-	-	-	-
\$ 19,335,000	Interest	22,250	-	-	-	-	-	-
Series 1998	Principal	680,000	710,000	-	-	-	-	-
\$ 10,000,000	Interest	69,500	35,500	-	-	-	-	-
Series 1999	Principal	650,000	675,000	705,000	735,000	770,000	805,000	840,000
\$ 10,000,000	Interest	147,285	239,960	210,935	180,268	147,928	113,663	77,840
Series 2000	Principal	595,000	620,000	650,000	680,000	715,000	-	-
\$ 10,000,000	Interest	154,850	126,588	97,138	66,263	33,963	-	-
Series 2001	Principal	-	-	-	-	-	-	-
\$ 424,000	Interest	6,360	6,360	6,360	6,360	6,360	6,360	6,360
Series 2001A	Principal	6,190,000	4,490,000	4,225,000	4,425,000	3,180,000	-	-
\$ 28,370,000	Interest	1,117,550	808,050	583,550	372,300	151,050	-	-
Series 2001B	Principal	730,000	760,000	790,000	825,000	860,000	895,000	935,000
\$ 13,575,000	Interest	426,138	396,938	366,538	334,938	301,938	267,538	230,843
Series 2002	Principal	315,000	655,000	685,000	715,000	745,000	780,000	815,000
\$ 10,000,000	Interest	350,660	339,635	314,745	288,030	259,430	229,630	196,480
Series 2003A	Principal	700,000	1,275,000	1,400,000	1,425,000	1,500,000	1,575,000	1,600,000
\$ 21,000,000	Interest	659,188	645,188	613,313	567,813	521,500	469,000	413,875
Series 2004	Principal	1,250,000	1,275,000	1,300,000	1,340,000	1,385,000	1,430,000	1,475,000
\$ 220,000,000	Interest	684,931	653,681	621,806	582,806	542,606	497,594	447,544
Series 2004A	Principal	135,000	1,275,000	2,055,000	2,115,000	2,175,000	3,000,000	1,660,000
\$ 15,210,000	Interest	547,475	544,100	505,850	444,200	380,750	311,150	191,150
Series 2005	Principal	475,000	1,650,000	1,900,000	1,955,000	2,015,000	2,075,000	2,150,000
\$ 31,000,000	Interest	1,157,368	1,143,118	1,093,618	1,036,618	977,968	912,480	839,855
Series 2005A	Principal	2,015,000	2,075,000	2,150,000	2,225,000	2,300,000	2,400,000	2,490,000
\$ 40,000,000	Interest	1,672,331	1,591,731	1,508,731	1,422,731	1,333,731	1,241,731	1,145,731
Total		<u>\$ 23,559,551</u>	<u>\$ 21,990,849</u>	<u>\$ 21,782,584</u>	<u>\$ 21,742,327</u>	<u>\$ 20,302,224</u>	<u>\$ 17,009,146</u>	<u>\$ 15,514,678</u>
Total Principal		\$ 16,430,000	\$ 15,460,000	\$ 15,860,000	\$ 16,440,000	\$ 15,645,000	\$ 12,960,000	\$ 11,965,000
Total Interest		<u>7,129,551</u>	<u>6,530,849</u>	<u>5,922,584</u>	<u>5,302,327</u>	<u>4,657,224</u>	<u>4,049,146</u>	<u>3,549,678</u>
Total		<u>\$ 23,559,551</u>	<u>\$ 21,990,849</u>	<u>\$ 21,782,584</u>	<u>\$ 21,742,327</u>	<u>\$ 20,302,224</u>	<u>\$ 17,009,146</u>	<u>\$ 15,514,678</u>

2014	2015	2016	2017	2018	2019	2020	2021	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,165,000
-	-	-	-	-	-	-	-	59,415
-	-	-	-	-	-	-	-	1,085,000
-	-	-	-	-	-	-	-	54,250
-	-	-	-	-	-	-	-	445,000
-	-	-	-	-	-	-	-	22,250
-	-	-	-	-	-	-	-	1,390,000
-	-	-	-	-	-	-	-	105,000
880,000	-	-	-	-	-	-	-	6,060,000
40,040	-	-	-	-	-	-	-	1,157,919
-	-	-	-	-	-	-	-	3,260,000
-	-	-	-	-	-	-	-	478,802
424,000	-	-	-	-	-	-	-	424,000
6,360	-	-	-	-	-	-	-	50,880
-	-	-	-	-	-	-	-	22,510,000
-	-	-	-	-	-	-	-	3,032,500
980,000	1,025,000	1,070,000	1,120,000	-	-	-	-	9,990,000
191,105	147,985	101,860	52,640	-	-	-	-	2,818,461
850,000	890,000	935,000	980,000	-	-	-	-	8,365,000
161,843	124,868	85,708	44,100	-	-	-	-	2,395,129
1,700,000	1,775,000	1,850,000	1,900,000	2,000,000	-	-	-	18,700,000
357,875	296,250	229,688	158,000	82,000	-	-	-	5,013,690
1,535,000	1,600,000	1,650,000	1,730,000	1,800,000	1,890,000	-	-	19,660,000
394,075	336,513	276,513	214,638	147,600	75,600	-	-	5,475,907
790,000	830,000	875,000	-	-	-	-	-	14,910,000
124,750	85,250	43,750	-	-	-	-	-	3,178,425
2,225,000	2,305,000	2,395,000	2,490,000	2,600,000	2,715,000	2,850,000	-	29,800,000
764,605	675,605	560,355	466,950	342,450	225,450	116,850	-	10,313,290
2,590,000	2,700,000	2,815,000	2,940,000	3,085,000	3,240,000	3,400,000	3,575,000	40,000,000
1,046,131	942,531	831,156	715,038	593,763	462,650	324,950	178,750	15,011,686
<u>\$ 15,060,784</u>	<u>\$ 13,734,002</u>	<u>\$ 13,719,030</u>	<u>\$ 12,811,366</u>	<u>\$ 10,650,813</u>	<u>\$ 8,608,700</u>	<u>\$ 6,691,800</u>	<u>\$ 3,753,750</u>	<u>\$ 226,931,604</u>
\$ 11,974,000	\$ 11,125,000	\$ 11,590,000	\$ 11,160,000	\$ 9,485,000	\$ 7,845,000	\$ 6,250,000	\$ 3,575,000	\$ 177,764,000
<u>3,086,784</u>	<u>2,609,002</u>	<u>2,129,030</u>	<u>1,651,366</u>	<u>1,165,813</u>	<u>763,700</u>	<u>441,800</u>	<u>178,750</u>	<u>49,167,604</u>
<u>\$ 15,060,784</u>	<u>\$ 13,734,002</u>	<u>\$ 13,719,030</u>	<u>\$ 12,811,366</u>	<u>\$ 10,650,813</u>	<u>\$ 8,608,700</u>	<u>\$ 6,691,800</u>	<u>\$ 3,753,750</u>	<u>\$ 226,931,604</u>

## WASHINGTON COUNTY SCHOOL DISTRICT

### **Demographic and Economic Statistics Last Ten Fiscal Years June 30, 1996 through 2005**

<u>Fiscal Year Ended June 30,</u>	<u>Washington County Estimated Population</u>	<u>Washington County Total Personal Income</u>	<u>Washington County Per Capita Income</u>	<u>Washington County Unemployment Rate</u>
1997	82,078	\$ 1,402,056,396	\$ 17,082	3.30%
1998	84,579	1,524,874,791	18,029	3.70%
1999	88,105	1,614,700,335	18,327	3.50%
2000	91,104	1,749,470,112	19,203	3.50%
2001	96,902	1,950,055,848	20,124	4.10%
2002	103,750	2,068,671,250	19,939	4.80%
2003	109,767	2,243,857,014	20,442	4.80%
2004	117,316	2,525,813,480	21,530	4.30%
2005	127,127	#VALUE!	na	3.50%
2006	134,899	na	na	2.20%

na - This information was not available when this book was published.

# WASHINGTON COUNTY SCHOOL DISTRICT

Principal Employers  
Current Year and Nine Years Ago  
June 30, 2006 and 1997

Employer	June 30, 2006		June 30, 1997	
	Number of Employees	Percent of District's Total Estimated Population	Number of Employees	Percent of District's Total Estimated Population
Washington County School District	2,000-2,999	1.85%	1,000-2,000	1.83%
Intermountain Healthcare	2,000-2,999	1.85%	500-700	0.73%
Dixie State College	1,000-1,999	1.11%	400-500	0.55%
Wal-Mart Distribution	1,000-1,999	1.11%	500-700	0.73%
St. George, City of	500-999	0.56%	300-400	0.43%
Sky West, Inc.	500-999	0.56%	200-300	0.30%
Boulevard Furniture	250-499	0.28%	-	
Cabinetec	250-499	0.28%	-	
Cross Creek Manor	250-499	0.28%	100-200	0.18%
Lin's Supermarket Inc.	250-499	0.28%	200-400	0.37%
Sunroc Corp.	250-499	0.28%	-	
Washington County	250-499	0.28%	100-200	0.18%
Albertsons Inc.	100-249	0.13%	100-200	0.18%
Andrus Trucking	100-249	0.13%	200-300	0.30%
Centennial Group	100-249	0.13%	-	
Cinnamon Hills Youth Crisis Center	100-249	0.13%	-	
Costco Wholesale	100-249	0.13%	-	
Deseret Laboratories Inc.	100-249	0.13%	-	
Green Valley Resort	100-249	0.13%	-	
Harmons	100-249	0.13%	100-200	0.18%
Interstate Rock Products	100-249	0.13%	-	
Lowe's Home Improvement Warehouse	100-249	0.13%	-	
McDonald's	100-249	0.13%	-	
Pace American of Utah, Inc.	100-249	0.13%	-	
Red Mountain Spa Management LLC	100-249	0.13%	-	
Spectrum	100-249	0.13%	-	
Utah, State of	100-249	0.13%	-	
Wendy's	100-249	0.13%	-	
Red Hills Mall	-		300-500	0.49%
Wal-Mart	-		200-300	0.30%
Ben Franklin	-		100-200	0.18%
Forrestwood Co. Inc	-		100-200	0.18%
Holiday Inn	-		100-200	0.18%
Host Transportation Inc.	-		100-200	0.18%
Human Resources Inc.	-		100-200	0.18%
Totals	8100-48,000	10.79%	24,580-38,560	7.68%

The number of employees within the District's boundaries for these employers is unavailable. Therefore, the number of employees listed represents an approximate range of number of employees, per Washington County records.

# WASHINGTON COUNTY SCHOOL DISTRICT

Full-time Equivalents  
Last Ten Fiscal Years  
June 30, 1997 through 2006

	Full-time Equivalent Employees as of June 30, 2006									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction	1,379.90	1,317.00	1,190.40	1,134.60	1,093.90	1,034.60	1,016.10	1,008.20	972.10	939.40
Supporting services:										
Students	38.10	38.10	34.40	32.50	30.80	29.90	28.90	28.10	28.30	26.80
Instructional staff	50.10	49.40	46.00	45.00	43.00	43.00	40.00	40.50	38.00	36.00
General district administration	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
School administration	172.00	166.00	155.00	151.50	146.50	145.30	139.30	133.00	130.00	123.00
Accounting and purchasing	11.00	11.00	10.00	10.00	10.00	9.00	9.00	9.00	8.00	7.00
Operation and maintenance of buildings	116.10	113.30	99.50	99.50	95.50	93.50	88.50	84.50	80.00	76.50
Student transportation	97.50	94.10	88.50	88.50	88.50	88.50	77.50	73.00	70.00	68.00
Personnel, planning, and data processing	7.10	5.50	5.50	4.90	3.00	3.00	3.00	3.00	3.00	3.00
Other support services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Nutrition services	89.00	85.00	80.00	80.00	77.80	75.00	74.00	70.50	68.00	67.50
Non K-12 programs	13.00	13.00	10.00	10.00	13.10	12.50	9.50	8.00	8.30	7.30
Capital projects	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Total	<u>1,979.80</u>	<u>1,898.40</u>	<u>1,725.30</u>	<u>1,662.50</u>	<u>1,608.10</u>	<u>1,540.30</u>	<u>1,491.80</u>	<u>1,463.80</u>	<u>1,411.70</u>	<u>1,360.50</u>
Licensed (teachers)	1,097.90	1,039.30	962.20	929.70	889.90	855.20	853.70	854.00	835.70	804.70
Classified (support)	<u>881.90</u>	<u>859.10</u>	<u>763.10</u>	<u>732.80</u>	<u>718.20</u>	<u>685.10</u>	<u>638.10</u>	<u>609.80</u>	<u>576.00</u>	<u>555.80</u>
Total	<u>1,979.80</u>	<u>1,898.40</u>	<u>1,725.30</u>	<u>1,662.50</u>	<u>1,608.10</u>	<u>1,540.30</u>	<u>1,491.80</u>	<u>1,463.80</u>	<u>1,411.70</u>	<u>1,360.50</u>

# WASHINGTON COUNTY SCHOOL DISTRICT

## Expenses by Function - Statement of Activities Last Four Fiscal Years June 30, 2003 through 2006

Function	Year Ended June 30,			
	2006	2005	2004	2003
Instruction	\$ 88,899,226 64.86%	\$ 77,102,577 63.26%	\$ 80,243,164 67.48%	\$ 87,310,449 70.23%
Support Services:				
Students	4,992,940 3.64%	4,014,073 3.29%	3,450,366 2.90%	3,196,421 2.57%
Instructional staff	4,093,852 2.99%	4,131,487 3.39%	3,568,837 3.00%	3,374,730 2.71%
General district administration	415,640 0.30%	374,495 0.31%	656,433 0.55%	319,001 0.26%
School administration	8,758,482 6.39%	7,887,933 6.47%	7,138,008 6.00%	6,638,043 5.34%
Accounting and purchasing services	1,219,843 0.89%	976,592 0.80%	865,002 0.73%	830,293 0.67%
Operation and maintenance of buildings	12,112,954 8.84%	10,186,333 8.36%	8,731,464 7.34%	8,884,956 7.15%
Student transportation	4,656,288 3.40%	4,991,540 4.10%	4,157,519 3.50%	4,303,290 3.46%
Personnel, planning, and data processing	481,400 0.35%	426,121 0.35%	407,624 0.34%	299,161 0.24%
Nutrition services	5,601,810 4.09%	4,680,626 3.84%	4,082,107 3.43%	3,892,741 3.13%
Interest on long- term liabilities	5,832,240 4.26%	7,112,024 5.84%	5,605,526 4.71%	5,278,505 4.25%
Total	<u>\$ 137,064,673</u>	<u>\$ 121,883,802</u>	<u>\$ 118,906,052</u>	<u>\$ 124,327,591</u>
Average Daily Membership	23,034	21,597	20,143	20,014
Average Expenses Per Pupil	\$ 5,951	\$ 5,644	\$ 5,903	\$ 6,212

Note: The totals on percentages may not equal an even 100.00% due to rounding.

# WASHINGTON COUNTY SCHOOL DISTRICT

## **Expenses by Function Per Pupil - Statement of Activities Last Four Fiscal Years June 30, 2003 through 2006**

Function	Year Ended June 30,			
	2006	2005	2004	2003
Instruction	\$ 3,859 64.86%	\$ 3,570 63.26%	\$ 3,984 67.48%	\$ 4,362 70.23%
Support Services:				
Students	217 3.64%	186 3.29%	171 2.90%	160 2.57%
Instructional staff	178 2.99%	191 3.39%	177 3.00%	169 2.71%
General district administration	18 0.30%	17 0.31%	33 0.55%	16 0.26%
School administration	380 6.39%	365 6.47%	354 6.00%	332 5.34%
Accounting and purchasing services	53 0.89%	45 0.80%	43 0.73%	41 0.67%
Operation and maintenance of buildings	526 8.84%	472 8.36%	433 7.34%	444 7.15%
Student transportation	202 3.40%	231 4.10%	206 3.50%	215 3.46%
Personnel, planning, and data processing	21 0.35%	20 0.35%	20 0.34%	15 0.24%
Nutrition services	243 4.09%	217 3.84%	203 3.43%	194 3.13%
Interest on long- term liabilities	253 4.26%	329 5.84%	278 4.71%	264 4.25%
Total	<u>\$ 5,951</u>	<u>\$ 5,644</u>	<u>\$ 5,903</u>	<u>\$ 6,212</u>
Average Daily Membership	23,034	21,597	20,143	20,014

Note: The totals on percentages may not equal an even 100.00% due to rounding.

# WASHINGTON COUNTY SCHOOL DISTRICT

Expenditures by Function - General Fund  
Last Ten Fiscal Years  
June 30, 1997 through 2006

Function	Year Ended June 30,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction	\$ 80,916,399 70.70%	\$ 69,092,164 68.98%	\$ 61,820,518 69.37%	\$ 58,738,373 69.02%	\$ 57,588,044 69.46%	\$ 53,690,150 68.83%	\$ 50,681,065 70.29%	\$ 48,173,055 69.83%	\$ 45,169,487 70.16%	\$ 42,996,300 69.79%
Support Services:										
Students	4,654,024 4.07%	4,033,364 4.03%	3,481,354 3.91%	3,196,421 3.78%	3,106,090 3.75%	2,832,695 3.63%	2,504,167 3.47%	2,739,438 3.97%	2,336,280 3.63%	2,110,853 3.43%
Instructional staff	4,521,163 3.95%	3,993,834 3.99%	3,573,552 4.01%	3,334,368 3.92%	3,026,938 3.65%	2,809,581 3.60%	2,500,709 3.47%	2,587,292 3.75%	2,252,578 3.50%	2,403,079 3.90%
General district administration	405,465 0.35%	369,319 0.37%	524,980 0.59%	296,666 0.35%	317,150 0.38%	320,366 0.41%	314,555 0.44%	309,208 0.45%	311,676 0.48%	388,048 0.63%
School administration	7,728,284 6.75%	7,341,261 7.33%	6,467,884 7.26%	6,233,234 7.32%	6,122,314 7.38%	5,913,829 7.58%	5,525,226 7.66%	5,342,122 7.74%	5,017,068 7.79%	4,749,143 7.71%
Accounting and purchasing services	1,039,214 0.91%	926,761 0.93%	825,237 0.93%	772,160 0.91%	733,766 0.89%	615,305 0.79%	545,072 0.76%	561,422 0.81%	582,258 0.90%	542,179 0.88%
Operation and maintenance of buildings	10,652,938 9.31%	9,366,190 9.35%	8,164,300 9.16%	8,258,083 9.70%	7,911,436 9.54%	7,643,334 9.80%	6,890,087 9.56%	6,486,620 9.40%	6,076,902 9.44%	5,633,278 9.14%
Student transportation	4,141,201 3.62%	4,637,983 4.63%	3,876,722 4.35%	4,001,997 4.70%	3,905,699 4.71%	3,996,937 5.12%	2,964,544 4.11%	2,617,958 3.80%	2,464,921 3.83%	2,779,141 4.51%
Personnel, planning, and data processing	397,907 0.35%	395,939 0.40%	380,093 0.43%	278,216 0.33%	197,532 0.24%	183,709 0.24%	172,620 0.24%	165,039 0.24%	168,255 0.26%	6,332 0.01%
Total	\$ 114,456,595	\$ 100,156,813	\$ 89,114,641	\$ 85,109,519	\$ 82,908,969	\$ 78,005,906	\$ 72,098,045	\$ 68,982,154	\$ 64,379,425	\$ 61,608,353
Average Daily Membership	23,034	21,597	20,143	20,014	18,593	18,040	18,201	18,157	17,617	17,977
Average Expenditures Per Pupil	\$ 4,969	\$ 4,638	\$ 4,424	\$ 4,252	\$ 4,459	\$ 4,324	\$ 3,961	\$ 3,799	\$ 3,654	\$ 3,427

Note: The totals on percentages may not equal an even 100.00% due to rounding.



# WASHINGTON COUNTY SCHOOL DISTRICT

## Expenditures by Function Per Pupil - General Fund Last Ten Fiscal Years June 30, 1997 through 2006

Function	Year Ended June 30,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction	\$ 3,513 70.70%	\$ 3,199 68.98%	\$ 3,069 69.37%	\$ 2,935 69.02%	\$ 3,097 69.46%	\$ 2,976 68.83%	\$ 2,785 70.29%	\$ 2,653 69.83%	\$ 2,564 70.16%	\$ 2,392 69.79%
Support Services:										
Students	202 4.07%	187 4.03%	173 3.91%	160 3.76%	167 3.75%	157 3.63%	138 3.47%	151 3.97%	133 3.63%	117 3.43%
Instructional staff	196 3.95%	185 3.99%	177 4.01%	167 3.92%	163 3.65%	156 3.60%	137 3.47%	142 3.75%	128 3.50%	134 3.90%
General district administration	18 0.35%	17 0.37%	26 0.59%	15 0.35%	17 0.38%	18 0.41%	17 0.44%	17 0.45%	18 0.48%	22 0.63%
School administration	336 6.75%	340 7.33%	321 7.26%	311 7.32%	329 7.38%	328 7.58%	304 7.66%	294 7.74%	285 7.79%	264 7.71%
Accounting and purchasing services	45 0.91%	43 0.93%	41 0.93%	39 0.91%	39 0.89%	34 0.79%	30 0.76%	31 0.81%	33 0.90%	30 0.88%
Operation and maintenance of buildings	462 9.31%	434 9.35%	405 9.16%	413 9.70%	426 9.54%	424 9.80%	379 9.56%	357 9.40%	345 9.44%	313 9.14%
Student transportation	180 3.62%	215 4.63%	192 4.35%	200 4.70%	210 4.71%	222 5.12%	163 4.11%	144 3.80%	140 3.83%	155 4.51%
Personnel, planning, and data processing	17 0.35%	18 0.40%	19 0.43%	14 0.33%	11 0.24%	10 0.24%	9 0.24%	9 0.24%	10 0.26%	0 0.01%
Total	<u>\$ 4,969</u>	<u>\$ 4,638</u>	<u>\$ 4,424</u>	<u>\$ 4,252</u>	<u>\$ 4,459</u>	<u>\$ 4,324</u>	<u>\$ 3,961</u>	<u>\$ 3,799</u>	<u>\$ 3,654</u>	<u>\$ 3,427</u>
Average Daily Membership	23,034	21,597	20,143	20,014	18,593	18,040	18,201	18,157	17,617	17,977

Note: The totals on percentages may not equal an even 100.00% due to rounding.

# **WASHINGTON COUNTY SCHOOL DISTRICT**

## **Nutrition Services - Facts and Figures** **Last Ten Fiscal Years** **June 30, 1997 through 2006**

		Year Ended June 30,									
		2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Number of schools participating in:											
Lunch - regular schedule		31	29	29	27	26	26	24	24	23	21
Breakfast program		26	24	22	22	21	21	19	19	18	16
Student lunches served:											
Free		634,243	631,081	560,175	515,434	499,043	464,983	460,647	434,765	413,219	392,319
Reduced		308,359	282,172	252,742	252,884	255,091	217,853	192,650	184,340	177,024	164,608
Fully paid		1,041,097	913,830	799,031	759,062	714,584	749,008	693,566	653,460	657,241	727,396
Total		1,983,699	1,827,083	1,611,948	1,527,380	1,468,718	1,431,844	1,346,863	1,272,565	1,247,484	1,284,323
Student breakfasts served:											
Free		255,495	230,768	203,416	172,241	150,801	139,190	138,963	124,531	112,510	108,425
Reduced		65,746	51,940	44,508	43,381	34,678	30,045	23,230	20,428	17,662	17,294
Fully paid		145,643	73,969	53,735	46,665	35,559	28,296	26,445	22,785	17,583	16,466
Total		466,884	356,677	301,659	262,287	221,038	197,531	188,638	167,744	147,755	142,185
Number of serving days:											
Elementary Schools		180	180	180	180	180	180	180	180	180	180
Secondary Schools		172	172	172	172	172	172	172	172	172	172

## WASHINGTON COUNTY SCHOOL DISTRICT

### **Student Enrollment Statistics Last Ten Fiscal Years June 30, 1997 through 2006**

<u>Fiscal Year Ended June 30,</u>	<u>Average Daily Membership</u>	<u>Average Daily Attendance</u>	<u>Attendance Percentage</u>	<u>Official State October 1 Audited Enrollment Count</u>
1997	17,977	17,078	95.00%	18,188
1998	17,617 *	16,736	95.00%	18,413
1999	18,157	17,249	95.00%	18,521
2000	18,201 *	17,291	95.00%	18,365
2001	18,040	17,195	95.32%	18,255
2002	18,593	17,622	94.78%	18,799
2003	20,014	18,814	94.00%	19,500
2004	20,143	19,035	94.50%	20,272
2005	21,597	20,626	95.50%	21,555
2006	23,034	21,516	93.41%	23,143

\* Average Attendance Percentage Estimate - No data available

## WASHINGTON COUNTY SCHOOL DISTRICT

### History of High School Graduates

#### Last Ten School Years

School Years 1996-97 through 2005-06

	<u>2005-06</u>	<u>2004-05</u>	<u>2003-04</u>	<u>2002-03</u>	<u>2001-02</u>	<u>2000-01</u>	<u>1999-00</u>	<u>1998-99</u>	<u>1997-98</u>	<u>1996-97</u>
Dixie	302	306	268	250	227	209	258	273	264	268
Enterprise	53	45	50	47	50	53	50	59	65	53
Hurricane	203	215	202	187	155	200	197	192	185	180
Millcreek	47	32	40	51	38	33	33	24	16	24
Pine View	361	411	398	325	331	328	341	308	308	291
Snow Canyon	272	319	367	341	343	-	360	293	333	293
Focus Center	10	120	33	*	*	*	*	*	*	*
Total	1,248	1,448	1,358	1,201	1,144	823	1,239	1,149	1,171	1,109

\* No data available from State Reports

## WASHINGTON COUNTY SCHOOL DISTRICT

**Teacher Compensation Data  
Last Ten Fiscal Years  
June 30, 1997 through 2006**

<u>Fiscal Year Ending June 30,</u>	<u>Bachelor Degree 1st Year Teacher Wage</u>	<u>Doctorate Degree 25th Year Teacher Wage</u>	<u>District Average* Teacher Wage</u>	<u>District Average* Teacher Benefits**</u>	<u>Total District Average* Teacher Compensation</u>	<u>State Average* Teacher Compensation</u>
1997	\$22,015	\$ 43,468	\$31,460	\$ 12,483	\$ 43,943	\$ 44,023
1998	22,455	45,489	32,216	12,883	45,099	44,789
1999	23,129	46,853	33,495	13,274	46,769	46,761
2000	23,418	47,438	34,463	13,760	48,223	47,442
2001	24,121	48,863	36,073	14,587	50,660	50,614
2002	25,206	52,338	37,636	14,322	51,958	52,792
2003	25,206	52,337	38,016	14,580	52,596	53,268
2004	24,931	51,766	37,727	15,199	52,926	53,396
2005	25,118	52,154	25,837	16,480	42,317	54,687
2006	26,123	54,240	38,386	16,948	55,334	55,941

\* As calculated and reported by the Utah State Office of Education in the Annual Statistical Report

\*\* Includes all benefits including State retirement, but does not include District retirement benefits

# WASHINGTON COUNTY SCHOOL DISTRICT

## Capital Asset Information Last Ten Fiscal Years June 30, 1997 through 2006

	Fiscal Year Ended June 30,									
Buildings:	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
<b>Elementary Schools</b>										
Number	21	19	18	18	18	18	18	18	16	14
Square feet	990,731	883,259	829,401	829,401	829,401	829,401	853,683	853,683	756,963	675,438
Capacity	10,728	8,848	8,848	8,848	8,848	8,848	9,260	9,260	8,320	7,451
Enrollment	11,405	10,303	9,501	9,098	9,181	9,157	9,695	9,731	9,650	9,451
Percent of Capacity	106.31%	116.45%	107.38%	102.83%	103.77%	103.50%	104.69%	105.08%	115.98%	126.85%
Average Age	19.29	20.21	20.28	19.28	18.28	17.28	17.24	16.24	17.27	18.77
<b>Intermediate Schools</b>										
Number	3	3	2	2	1	1	-	-	-	-
Square feet	380,011	380,011	253,210	253,210	126,409	126,409	-	-	-	-
Capacity	3,000	3,000	2,000	2,000	1,000	1,000	-	-	-	-
Enrollment	2,696	2,603	2,141	2,089	1,031	976	-	-	-	-
Percent of Capacity	89.87%	86.77%	107.05%	104.45%	103.10%	97.60%	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
Average Age	3.67	2.67	2.50	2.00	2.00	1.00	-	-	-	-
<b>Middle Schools</b>										
Number	4	4	4	4	4	4	4	4	4	4
Square feet	475,605	475,605	475,605	475,605	475,605	475,605	475,605	475,605	475,605	475,605
Capacity	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Enrollment	3,559	3,459	3,605	3,399	3,753	3,740	4,099	4,085	4,024	4,114
Percent of Capacity	101.69%	98.83%	103.00%	97.11%	107.23%	106.86%	117.11%	116.71%	114.97%	117.54%
Average Age	19.50	18.50	17.50	16.50	15.50	14.50	13.50	12.50	11.50	10.50
<b>High Schools ****</b>										
Number	6	6	6	6	6	6	6	6	6	6
Square feet	1,044,108	903,552	903,552	903,552	903,552	883,228	883,228	883,228	883,228	883,228
Capacity	5,700	5,700	5,200	5,200	5,200	5,200	5,000	5,000	5,000	5,000
Enrollment	5,483	5,186	5,025	5,031	4,834	4,382	4,571	4,705	4,739	4,553
Percent of Capacity	96.19%	90.98%	96.63%	96.75%	92.96%	84.27%	91.42%	94.10%	94.78%	91.06%
Average Age	15.00	20.50	19.50	18.50	17.50	19.80	18.80	17.80	16.80	15.80
<b>Other Buildings</b>										
Number	8	8	6	6	6	5	4	4	2	2
Square feet	146,495	146,495	76,700	76,700	76,700	42,900	41,400	41,400	23,600	23,600
Average Age	9.75	8.75	10.33	9.33	8.33	11.25	10.25	9.25	16.50	15.50
<b>Total Buildings</b>										
Number *	42	40	36	36	35	34	32	32	28	26
Square feet	3,036,950	2,788,922	2,538,468	2,538,468	2,411,667	2,357,543	2,253,916	2,253,916	2,139,396	2,057,871
Capacity	22,928	21,048	19,548	19,548	18,548	18,548	17,760	17,760	16,820	15,951
Enrollment	23,143	21,551	20,272	19,617	18,799	18,255	18,365	18,521	18,413	18,118
Percent of Capacity	100.94%	102.39%	103.71%	100.35%	101.35%	98.42%	103.41%	104.28%	109.47%	113.59%
Average Age	27.16	27.31	27.34	27.18	26.48	25.48	24.48	24.32	25.12	24.12
Number of Portables **	53	39	33	29	18	18	18	18	18	18
Acres of Land	441.0	419.5	394.5	382.0	382.0	379.0	354.0	354.0	335.0	314.0
Number of Vehicles	235	210	182	186	178	n/a	n/a	n/a	n/a	n/a

\* Each school may have a couple of buildings associated with it; however, for purposes of this schedule, each school campus is considered one building.

\*\* Portables are not included in a school's capacity or square footage calculations.

\*\*\* Includes one alternative high school.

## WASHINGTON COUNTY SCHOOL DISTRICT

**Statements of Net Assets**  
**Governmental Activities**  
**Last Four Fiscal Years**  
**June 30, 2003 through 2006**  
**(accrual basis of accounting)**

	As of June 30,			
	2006	2005	2004	2003
<b>Assets:</b>				
Cash and investments	\$ 52,125,426	\$ 49,149,867	\$ 47,654,299	\$ 43,278,111
Accounts receivable:				
Property taxes	51,747,134	43,382,620	37,526,169	2,406,709
Other governments	6,535,637	7,745,546	2,743,010	5,879,500
Other receivables	1,108,954	1,389,359	1,435,384	3,309,694
Inventories	159,069	123,007	132,081	140,381
Prepays	262,627	1,531,713	1,976,526	962,376
Bond issuance costs, net of accumulated depreciation	124,963	137,780	150,597	-
Capital assets:				
Sites and construction in progress	88,658,752	76,813,014	65,888,331	45,781,266
Other capital assets, net of accumulated depreciation	139,780,371	112,245,474	89,059,151	92,003,863
Total assets	340,502,933	292,518,379	246,565,548	193,761,898
<b>Liabilities:</b>				
Accounts payable	4,426,336	4,350,180	5,837,565	5,888,301
Accrued interest	2,420,389	3,309,373	1,891,005	-
Accrued liabilities	14,997,535	12,894,204	11,576,417	8,474,177
Deferred revenue:				
Property taxes	48,788,297	42,914,447	40,012,903	2,406,709
Other governments	5,153,311	3,528,800	2,985,914	3,912,313
Local sources	965,645	965,645	965,645	1,365,645
Noncurrent liabilities:				
Due within one year	18,216,991	15,766,629	13,977,894	12,627,487
Due in more than one year	164,896,127	139,778,978	124,176,352	115,161,707
Total liabilities	259,864,632	223,508,256	201,423,694	149,836,339
<b>Net Assets:</b>				
Invested in capital assets, net of related debt	59,905,019	46,516,024	17,872,343	32,295,609
Restricted for:				
Nutrition services	537,545	563,764	431,568	286,455
Non K-12 programs	1,756,212	1,821,483	1,441,065	581,636
Education Foundation	802,428	574,260	505,173	426,442
Capital projects	15,401,188	17,903,636	18,865,850	2,209,136
Debt service	19,663,123	14,103,469	19,663,826	3,486,768
Unrestricted	(17,427,214)	(12,472,512)	(13,637,972)	4,639,514
Total net assets	\$ 80,638,301	\$ 69,010,123	\$ 45,141,854	\$ 43,925,560

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

# **WASHINGTON COUNTY SCHOOL DISTRICT**

## **General Fund Comparative Balance Sheets Last Six Fiscal Years June 30, 2001 through 2006 (modified accrual basis of accounting)**

	As of June 30,					
	2006	2005	2004	2003	2002	2001
<b>Assets:</b>						
Cash and investments	\$ 24,682,420	\$ 21,584,637	\$ 23,443,140	\$ 17,183,123	\$ 19,755,378	\$ 19,020,930
Accounts receivable:						
Property taxes	25,356,616	20,841,830	17,621,512	1,084,037	1,038,153	945,860
Other governments	6,190,293	7,454,221	2,543,125	5,378,175	912,475	1,046,923
Other receivables	142,112	423,714	465,621	1,479,594	737,907	766,446
Inventories	-	-	-	-	-	-
Prepays	55,971	72,562	355,416	64,494	563,724	620,252
Total assets	<u>\$ 56,427,412</u>	<u>\$ 50,376,964</u>	<u>\$ 44,428,814</u>	<u>\$ 25,189,424</u>	<u>\$ 23,007,637</u>	<u>\$ 22,400,411</u>
<b>Liabilities and Fund Balances:</b>						
Liabilities:						
Accounts payable	\$ 880,040	\$ 1,049,150	\$ 1,665,832	\$ 2,507,952	\$ 2,277,643	\$ 2,688,436
Accrued payroll and related benefits	13,480,739	11,870,133	9,782,728	8,332,529	7,807,626	8,028,164
Deferred revenue:						
Property taxes	23,932,975	20,642,212	18,791,673	1,084,037	1,038,153	945,860
Other governments	5,153,311	3,440,382	2,934,552	3,839,168	3,173,229	3,198,052
Local sources	-	-	-	-	-	-
Total liabilities	<u>43,447,065</u>	<u>37,001,877</u>	<u>33,174,785</u>	<u>15,763,686</u>	<u>14,296,651</u>	<u>14,860,512</u>
Fund balances:						
Unreserved:						
Designated for:						
Undistributed reserve	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
Tort liability	-	-	69,249	69,249	69,249	79,826
Future growth	2,091,179	2,091,179	2,331,724	2,163,724	1,995,724	1,635,724
Early retirement	-	-	-	996,792	-	-
Undesignated	7,589,168	7,983,908	5,553,056	2,895,972	3,346,013	2,524,349
Total fund balances	<u>12,980,347</u>	<u>13,375,087</u>	<u>11,254,029</u>	<u>9,425,737</u>	<u>8,710,986</u>	<u>7,539,899</u>
Total liabilities and fund balances	<u>\$ 56,427,412</u>	<u>\$ 50,376,964</u>	<u>\$ 44,428,814</u>	<u>\$ 25,189,424</u>	<u>\$ 23,007,637</u>	<u>\$ 22,400,411</u>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.



# **WASHINGTON COUNTY SCHOOL DISTRICT**

## **General Fund Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances Last Six Fiscal Years June 30, 2001 through 2006 (modified accrual basis of accounting)**

	Adopted Budget 2006-07	Fiscal Year Ended June 30,				
		2006	2005	2004	2003	2002
<b>Revenues:</b>						
Property taxes	\$ 29,173,437	\$ 25,035,617	\$ 22,036,114	\$ 18,956,575	\$ 17,675,234	\$ 15,680,146
Interest	1,010,000	1,264,073	648,174	455,909	453,559	633,443
Other local sources	2,100,000	2,344,976	2,050,074	2,063,702	1,964,610	1,348,348
State of Utah	84,203,618	73,971,286	68,108,692	62,329,446	58,778,779	61,129,409
Federal government	8,974,251	9,061,460	9,307,500	7,137,300	6,952,088	5,288,710
Total Revenues	125,461,306	111,677,412	102,150,553	90,942,932	85,824,270	84,080,056
<b>Expenditures:</b>						
Instruction	85,631,435	77,283,356	69,092,164	61,820,518	58,738,373	57,588,044
Support services:						
Students	5,112,672	4,813,897	4,033,364	3,481,354	3,196,421	3,106,090
Instructional staff	5,072,523	4,130,221	3,993,834	3,573,552	3,334,368	3,026,938
General district administration	525,612	407,103	369,319	524,980	296,666	317,150
School administration	9,039,355	8,135,056	7,341,261	6,467,884	6,233,234	6,122,314
Accounting and purchasing services	1,199,080	1,151,673	926,761	825,237	772,160	733,766
Operation and maintenance of buildings	12,645,221	11,137,975	9,366,190	8,164,300	8,258,083	7,911,436
Student transportation	5,235,935	4,259,397	4,637,983	3,876,722	4,001,997	3,905,699
Personnel, planning, and data processing	499,471	446,829	395,939	380,093	278,216	197,532
Total Expenditures	124,961,305	111,765,507	100,156,813	89,114,641	85,109,519	82,908,969
Excess (deficiency) of revenues over (under) expenditures	500,000	(88,095)	1,993,740	1,828,291	714,751	1,171,087
<b>Other financing sources:</b>						
Transfers	(500,000)	(306,645)	(519,868)	-	-	-
Total Other Financing Sources	(500,000)	(306,645)	(519,868)	-	-	-
Net change in fund balance	0	(394,740)	1,473,872	1,828,291	714,751	1,171,087
Fund balances - beginning	12,980,347	13,375,087	11,254,737	9,425,737	8,710,986	7,539,899
Prior period adjustment			646,478			
Fund balances - ending	\$ 12,980,347	\$ 12,980,347	\$ 13,375,087	\$ 11,254,028	\$ 9,425,737	\$ 8,710,986
						\$ 7,539,899

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

# **WASHINGTON COUNTY SCHOOL DISTRICT**

Historical Summaries of Taxable Values of Property  
For the Tax Year Ended December 31, 2000, through 2004  
Last Ten Tax Years  
December 31, 1996 through 2005

Tax Year Ended December 31,									
2005	2004	2003	2002	2001	2000	1999	1998	1997	
Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	Taxable Value	
% of T.V.									
<b>\$ 345,779,814</b>	<b>\$ 352,609,600</b>	<b>\$ 370,977,027</b>	<b>\$ 253,964,608</b>	<b>\$ 226,200,572</b>	<b>\$ 226,238,393</b>	<b>\$ 216,317,282</b>	<b>\$ 223,389,590</b>	<b>\$ 224,981,361</b>	
4.3									
3,583,507,660	2,811,225,540	2,531,711,453	2,358,150,045	2,115,344,260	1,940,459,388	1,747,558,123	1,568,721,261	1,410,343,845	
854,513,855	630,487,920	565,483,895	503,267,870	470,567,891	423,691,615	380,032,546	373,205,220	347,627,250	
1,218,195,640	1,073,885,960	1,009,343,810	976,498,550	887,193,675	756,411,370	712,659,185	581,835,571	514,235,090	
15,304,510	14,447,850	14,101,355	13,591,585	13,527,420	7,528,491	7,418,771	7,194,365	7,488,665	
1,174,619,595	913,474,340	880,758,160	866,895,830	808,930,700	687,298,910	656,827,763	608,684,589	582,293,030	
6,846,141,260	5,451,531,610	4,981,398,673	4,718,403,960	4,295,563,946	3,815,390,784	3,504,495,388	3,137,641,006	2,861,987,880	
84.6									
Personal Property:									
Primary mobile homes	9,278,333	9,357,493	11,320,537	11,555,547	11,160,740	11,148,446	11,929,734	9,714,021	
Secondary mobile homes	5,046,839	6,114,996	5,406,292	5,508,310	5,521,369	5,864,424	6,217,874	5,320,739	
Other business personal	258,943,893	225,712,772	193,656,392	211,327,560	181,872,733	175,223,903	159,378,083	146,853,419	
Total Personal Property	273,269,065	241,185,261	210,584,030	205,413,374	198,554,862	192,236,773	176,526,691	161,888,179	
Fee in Lieu/age based property (1)	622,641,900	587,549,301	616,006,136	474,371,000	436,970,649	268,673,521	412,558,224	377,261,979	
Total Locally Assessed	7,742,052,225	6,260,266,172	5,807,998,839	5,420,831,369	4,768,055,760	4,450,916,295	3,726,724,921	3,401,138,038	
Total Taxable Property	\$ 8,087,832,039	\$ 6,612,875,772	\$ 6,178,965,866	\$ 5,674,795,977	\$ 4,964,256,332	\$ 4,677,154,688	\$ 4,181,723,934	\$ 3,950,114,511	
Total taxable value (less fee in lieu/age based property)	\$ 7,465,190,139	\$ 6,045,326,471	\$ 5,562,959,710	\$ 5,217,430,151	\$ 4,754,941,928	\$ 4,240,146,218	\$ 3,922,972,554	\$ 3,530,483,949	
								\$ 3,247,285,649	

Source: Property Tax Division, Utah State Tax Commission.

# **SINGLE AUDIT**



**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Washington County Board of Education

Compliance

We have audited the compliance of Washington County School District (the District) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular *A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit and have issued our report thereon dated October 15, 2006.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, Washington County School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

### Internal Control Over Compliance

The management of Washington County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design of operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance that we consider to be material weaknesses.

### Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washington County School District, as of and for the year ended June 30, 2006, and have issued our report thereon dated October 31, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Hafen Buckner, Everett & Graff, PC*

HAFEN, BUCKNER, EVERETT & GRAFF, PC  
October 15, 2006

Washington County School District  
Schedule of Expenditures of Federal Awards  
June 30, 2006

FEDERAL OR PASS THROUGH GRANTOR/PROGRAM TITLE	Title	Major Program	Federal CFDA #	Total Expenditures
<b>U.S. Department of Education</b>				
Passed Through Utah State Office of Education:	Indian Education		84.060	110,246
	Adult Education - ABE		84.002	\$ 83,580
	Adult Education - Limited English		84.002	14,509
	Adult Education - Family Literacy		84.002	14,907
	Title I Basic and Concentration		84.010	2,951,981
	Title I Grants to Local Education Agencies (LEAS)		84.010	204,250
	Special Education - IDEA Part B	X	84.027	3,672,643
	Vocational Education - Carl Perkins Formula		84.048	354,332
	Vocational Education - Carl Perkins Leadership		84.048	11,050
	Special Education - Preschool	X	84.173	113,402
	Safe and Drug Free Schools and Communities - Title IV		84.184	20,637
	Safe and Drug Free Schools - State Grant Program		84.186	84,542
	Education for Homeless Children and Youth		84.196	35,682
	Fund for Improvement of Education (FIE Grant)		84.215	248,582
	Fund for Improvement of Education (FIE Grant)		84.215K	1,352
	State Grants for Innovative Programs Title VA		84.298	93,474
	Capacity Building for Traditionally Underserved Populations		84.315	18,350
	Reading First State Grants		84.357	11,071
	English Language Acquisition Title IIIA		84.365	90,605
	Improving Teacher Quality Title IIA		84.367	892,067
	<b>Total U.S. Department of Education</b>			<b>8,917,016</b>
<b>U.S. Department of Agriculture</b>				
Passed Through Utah State Office of Education:	School Breakfast Program		10.553	491,903
	National School Lunch Program-Federal School Lunch		10.555	436,414
	National School Lunch Program-Federal Special Assist. Program		10.555	1,856,121
	Food Distribution Federal Commodities Program		10.550	316,106
Passed through Washington County:	PILT Forest Reserve		10.665	47,675
	<b>Total U.S. Department of Agriculture</b>			<b>3,148,219</b>
<b>Corporation for National and Community Service</b>				
Passed Through Utah State Office of Education:	Learn and Serve America		94.004	1,203
	<b>Total Expenditures of Federal Awards</b>			<b>\$ 12,066,438</b>

Washington County School District  
Schedule Of Findings And Questioned Costs  
June 30, 2006

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**I. SUMMARY OF AUDITOR'S RESULTS**

- A. Type of audit report issued on the financial statements: . Unqualified opinion
- B. Reportable conditions in internal control disclosed by the audit: . None
- C. Instances of noncompliance material to the financial statements: None.
- D. Reportable conditions in internal control over major programs disclosed by the audit: None.
- E. Type of report issued on compliance for major programs: Unqualified opinion.
- F. Audit findings required to be reported under paragraph .510(a): None.
- G. Major Programs:
- | <u>Program</u>                     | <u>CFDA</u> |
|------------------------------------|-------------|
| IDEA Dpecial Ed. Formula Flow Thru | 84.027      |
| IDEA Special Ed. Preschool         | 84.173      |
- H. Dollar threshold used to distinguish between Type A and B programs, as described in paragraph .520(b): \$500,000
- I. Washington County School District qualifies as a low-risk auditee under paragraph .530.

**II. Findings related to the financial statements which are required to be reported in accordance with *Generally Accepted Governmental Auditing Standards***  
None

**III. Findings and questioned costs for Federal awards as defined in paragraph 510(a)**

<u>Finding</u>	<u>Questioned Costs</u>
None	None

WASHINGTON COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

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NOTE 1 PURPOSE OF SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards is a supplementary schedule to the District's financial statements and is presented for purposes of additional analysis. Because the schedule presents only a selected portion of the activities of the District, it is not intended to, and does not present the financial position, changes in fund balances or other current funds revenue, expenditures and other changes of the District.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The information in the schedule is presented in accordance with OMB Circular A-133.

Pursuant to the Single Audit Act of 1984 (Public Law 98-502), The Single Audit Act Amendments of 1996 (Public Law 104-156) and OMB Circular A-133, federal awards are defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, or direct appropriations. Accordingly, nonmonetary federal assistance, including federal surplus property, would be included in federal awards, if applicable, and therefore, would be reported on the schedule. Federal awards do not include direct federal cash assistance to individuals. Solicited contracts between the State and Federal government for which the Federal Government procures tangible goods or services are not considered to be federal awards.

The Single Audit Act Amendments of 1996 and OMB Circular A-133 established levels of expenditures or expenses to be used in defining Type A and Type B federal award programs. Type A programs, for the District, are those programs, which exceed \$500,000 in federal expenditures, distributions, or issuances for the year ended June 30, 2006.

Reporting Entity

The reporting entity is fully described in Note 1 of the District's financial statements. The schedule includes all federal award programs administered by the District for the year ended June 30, 2006.



WASHINGTON COUNTY SCHOOL DISTRICT  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

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NOTE 2    SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The expenditures in the schedule are recognized as incurred based on the accrual basis of accounting and the cost accounting principles contained in OMB Circular A-87, *Cost Principles for State and Local Governments*. Under those cost principles certain types of expenditures are not allowable or are limited as to reimbursement.

The schedule does not include matching expenditures.

All of the District's federal awards, as identified on the schedule, are passed through a separate entity prior to receipt by the District (i.e., the District is a sub-recipient).

NOTE 3    RECONCILIATION OF AMOUNTS REPORTED ON SCHEDULE OF  
EXPENDITURES OF FEDERAL AWARDS TO THE DISTRICT'S FINANCIAL  
REPORT

The following is a reconciliation of the amounts reported in the Schedule of Expenditures of Federal Awards with the amounts reported in the District's fund financial statements.

Federal funds reported in the General Fund	\$ 622,407
Federal funds reported in the Non K-12 Fund	28,162
Federal funds reported in the School Lunch Fund	270,543
	<u>\$ 921,112</u>



## AUDITORS' REPORT ON STATE LEGAL COMPLIANCE

The Board of Education  
Washington County School District  
Washington, Utah

We have audited the financial statements of Washington County School District for the year ended June 30, 2006, and have issued our report there on dated October 15, 2006. As part of our audit, we have audited the District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's Legal Compliance Audit guide for the year ended June 30, 2006. The District received the following major State assistance programs from the State of Utah:

Minimum School Program  
School Lunch (State Fund Portion)

The District also received the following nonmajor grants which are not required to be audited for specific compliance requirements: (However, these programs were subject to testwork as part of the audit of the District's financial statements.)

Drivers' Education

Our audit also included test work on the District's compliance with those general compliance requirements identified in the Compliance Manual for Audits of Local governments in Utah including:

Public Debt	Budgetary Compliance
Cash Management	Truth in Taxation and Property Tax Limitations
Purchasing Requirements	Other Compliance Requirements
Adult Education Reporting	Fall Enrollment and Student Membership

The management of the District is responsible for the District's compliance with all compliance requirement identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with accounting standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the

District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Washington County School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended June 30, 2006.

*Hafen, Buckner, Everett & Graff, PC*  
HAFEN, BUCKNER, EVERETT & GRAFF, PC  
October 15, 2006



**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

Washington County Board of Education

We have audited the financial statements of Washington County School District (the District) as of and for the year ended June 30, 2006, and have issued our report thereon dated October 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the District's management in a separate letter dated October 15, 2006.

This report is intended for the information and use of the Board of Education, management and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Hafen, Buckner, Everett & Graff, PC*

**HAFEN, BUCKNER, EVERETT & GRAFF, PC**

October 15 2006